

Government That Works!

NEW JERSEY DEPARTMENT OF THE TREASURY

LOCAL GOVERNMENT BUDGET REVIEW

TOWNSHIP OF WEST ORANGE

CHRISTINE TODD WHITMAN
Governor

ROLAND M. MACHOLD
State Treasurer

AUGUST, 2000



GOVERNMENT THAT WORKS

OPPORTUNITIES FOR CHANGE

The Report of the Township of West Orange

New Jerseyans deserve the best government their tax dollars can provide. Governor Whitman is committed to making state government leaner, smarter and more responsive by bringing a common sense approach to the way government does business. It means taxpayers should get a dollar's worth of service for every dollar they send to government, whether it goes to Trenton, their local town hall or school board. Government on all levels must stop thinking that money is the solution to their problems and start examining how they spend the money they now have. It is time for government to do something different.

Of major concern is the rising cost of local government. There is no doubt that local government costs and the property taxes that pay for them have been rising steadily over the past decade. Prior to Governor Whitman's taking office in 1994, the state had never worked as closely with towns to examine what is behind those costs. That is why she created the Local Government Budget Review (LGBR) program. Its mission is simple: to help local governments and school boards find savings and efficiencies without compromising the delivery of services to the public.

The LGBR program utilizes an innovative approach combining the expertise of professionals, primarily from the Departments of Treasury, Community Affairs and Education, with team leaders who are experienced local government managers. In effect, it gives local governments a comprehensive management review and consulting service by the state at no cost. To find those "cost drivers" in local government, teams review all aspects of local government operation, looking for ways to improve efficiency and reduce costs.

In addition, teams also document those state regulations and mandates which place burdens on local governments without value-added benefits and suggest, on behalf of local officials, which ones should be modified or eliminated. Teams also look for "best practices" and innovative ideas that deserve recognition and other communities may want to emulate.

Based upon the dramatic success of the program and the number of requests for review services, in July, 1997, Governor Whitman ordered the expansion of the program, tripling its number of teams in an effort to reach more communities and school districts. The ultimate goal is to provide assistance to local government that results in meaningful property tax relief to the citizens of New Jersey.

THE REVIEW PROCESS

In order for a town, county, school district or authority to participate in the Local Government Budget Review program, a majority of the elected officials must request the help of the review team through a resolution. There is a practical reason for this: to participate, the governing body must agree to make all personnel and records available to the review team, and agree to an open public presentation and discussion of the review team's findings and recommendations.

As part of each review, team members interview each elected official, as well as employees, appointees, members of the public, contractors and any other appropriate individuals. The review teams examine current collective bargaining agreements, audit reports, public offering statements, annual financial statements, the municipal code and independent reports and recommendations previously developed for the governmental entities, and other relative information. The review team physically visits and observes the work procedures and operations throughout the governmental entity to observe employees in the performance of their duties.

In general, the review team received the full cooperation and assistance of all employees and elected officials. That cooperation and assistance was testament to the willingness on the part of most to embrace recommendations for change. Those officials and employees who remain skeptical of the need for change or improvement will present a significant challenge for those committed to embracing the recommendations outlined in this report.

Where possible, the potential financial impact of an issue or recommendation is provided in this report. The recommendations do not all have a direct or immediate impact on the budget or the tax rate. In particular, the productivity enhancement values identified in this report do not necessarily reflect actual cash dollars to the municipality, but do represent the cost of the entity's current operations and an opportunity to define the value of improving upon such operations. The estimates have been developed in an effort to provide the entity an indication of the potential magnitude of each issue and the savings, productivity enhancement, or cost to the community. We recognize that all of these recommendations cannot be accomplished immediately and that some of the savings will occur only in the first year. Many of these suggestions will require negotiations through the collective bargaining process. We believe, however, that these estimates are conservative and achievable.

**LOCAL GOVERNMENT BUDGET REVIEW
EXECUTIVE SUMMARY
TOWNSHIP OF WEST ORANGE**

Governing Body

If the township established a program with the board of education to provide students to videotape council meetings, the township could save approximately \$3,500.

Administration

We recommend that the township physician and psychiatrist, both of whom are part-time employees of the township, be treated as contracted professionals. As with all contracted professionals, social security, Medicare and health benefit payments should be eliminated for cost savings of \$11,101.

Purchasing

If the township began utilizing the New Jersey State “cost-per-copy” contract for copier equipment, the township could save approximately \$36,629 per year.

Public Relations

If the township reduced public relations to a part-time effort, it could save \$20,000.

Payroll

Negotiating a switch to a bi-weekly payroll for all employees, would save approximately \$69,897 in personnel costs.

Information Technology

The creation of an information technology department and hiring an independent consultant or a director for implementation of a technology plan would be beneficial to the township. The approximate cost for this action would be \$60,000 plus benefits.

Health Insurance

Negotiating to implement a 20% premium co-payment for health coverage other-than-single could potentially save the township \$163,000.

The promotion of managed care programs through health fairs could potentially save \$28,596.

Negotiating an increase in the prescription plan co-payment amounts could potentially save \$20,000.

Police

Negotiating a modification in the work schedule to one with 2,080 annual work hours, such as the 5-2, could produce a potential productivity enhancement worth \$165,271.

Implementing a tele-service program for incident reporting could provide a productivity enhancement between \$43,500 and \$87,000.

The automation of the drafting functions of the traffic bureau would have a one-time cost of approximately \$7,000 to \$10,000 and would enhance productivity by approximately \$7,526 each year.

Restructuring the police organization could produce a savings of \$118,160.

The establishing of an alarm registration fee could provide a 50% reduction in false calls for a productivity enhancement of \$49,300.

Revising the existing towing ordinance and increasing the administrative towing fees could produce \$9,099 in additional revenue, based upon 1997 towing figures.

Increasing parking meter rates will increase revenue by \$11,967 with a one-time cost of \$810 to recalibrate the meters.

Increasing overnight parking permit fees in off-street municipal parking lots will enhance revenues by \$7,200 annually.

The installation of additional parking meters will enhance revenues by approximately \$4,400 annually. The approximate cost for the new meters is \$25,000.

The creation of crossing guard/parking enforcement officer (PEO) positions would cost \$16,000. Increasing overtime parking violation fines would increase revenues by \$45,136.

Reassigning the parking meter collection function from public works employees to the PEO positions would provide a productivity enhancement of \$2,000.

Implementing an advertising program for parking meters would provide \$19,440 in additional revenue.

Fire Department

Restructuring the fire organization could produce a savings of approximately \$829,445.

Fire Bureau

The collection of the outstanding fire lane violations would increase revenues by \$1,260.

Establishing a \$50 fee for pumping water from flooded basements would increase revenues by \$2,000, based upon figures from 1997 and 1998.

Emergency Medical Services (EMS)

The establishment of an in-house billing program for emergency medical calls for service could provide between \$344,000 to \$774,000 in additional revenue.

Public Works

Restructuring three assistant supervisor positions and reassigning them to public works repairer titles could provide cost savings of \$10,345.

Providing supervision training to supervisors would improve skills and enhance the efficiency of the units for a cost of \$1,920.

Increasing the mechanics' work rate to industry standards would reduce the number of mechanics needed, providing a savings of approximately \$75,000 in personnel costs.

The elimination of scheduled weekend overtime for mechanics and integrating weekend coverage into the regular workweek would save approximately \$10,246.

The elimination of the body and fender position would provide a cost savings of \$65,000.

The elimination of seven "extra" trucks only used for snow removal would provide a savings of approximately \$415,000 with a one-time revenue enhancement from the sale of the trucks of at least \$35,000. Additional snow removal services could be provided by private snow plow contractors.

Modifying the frequency of street sweeping services could provide a productivity enhancement of \$57,900, with a one-time savings of \$110,000 for the cost of a street sweeper.

Increasing the promotion of on-site composting program for yard waste and increasing the promotion of bagging leaves can produce a cost savings and a productivity enhancement totaling \$68,500.

The elimination of scheduled weekend overtime for pump station inspections would provide a cost savings of \$4,154.

We suggest the township combine the buildings and grounds division with the shade tree division and bid out portions of the work to private contractors. Combining the divisions would allow the township to eliminate one supervisor and one assistant supervisor for a cost savings of \$134,216. Contracting the custodial and maintenance functions could provide a savings of \$213,000, and contracting the shade tree functions could provide a savings of \$51,000.

Planning and Development

We recommend the township purchase a software package to improve the manual procedures for routing and processing applications. The estimated cost for this software is \$7,000.

We suggest that the township purchase another digital camera to improve productivity for a one-time cost of approximately \$500.

The elimination of the public advocate positions could provide a cost savings of \$3,500.

Health and Welfare

We recommend that the dental clinic professionals, who are part-time employees of the township, be treated as contracted professionals. As with all contracted professionals, social security, Medicare and health benefit payments should be eliminated for cost savings of \$10,714.

The implementation of a biennial dog-canvassing program could produce \$24,000 in additional revenue.

We suggest that the medical professionals for the various health clinics be treated as contracted professionals. As with all contracted professionals, social security, Medicare and health benefit payments should be eliminated for cost savings of \$1,738.

The establishment of a policy requiring 50% of the senior transportation program to be self-sustaining through fees and other revenues would increase revenues by \$119,165.

Transferring the welfare program to the county would provide approximately \$50,800 in savings.

Parks and Recreation

Increasing the fees for the summer park program could provide a revenue enhancement of \$59,280.

Pool Utility

The establishment of a chair storage fee will increase revenues by approximately \$2,500.

Increasing guest membership fees could provide \$6,000 in additional revenue.

Public Library

The library allows residents to rent duplicate copies of books when the primary copy is in circulation. Increasing the duplicate rental fees will increase revenues by \$6,000.

Merging administrative functions performed by both the library and the township, such as payroll services, could provide additional savings of \$1,557.

Replacing purchased copiers with “cost-per-copy” machines could provide savings of \$1,062.

Utilizing “cost-per-copy” contracts for coin-operated copiers could provide \$23,166 in additional revenue.

Collective Bargaining Issues

The modification of the longevity benefit for only flat dollar increments could save approximately \$18,150.

Restructuring sick leave for the AFSCME bargaining units, could save the township approximately \$32,000.

The modification of the cap for sick leave payout for unused sick time at the time of retirement would provide a savings of approximately \$40,318, based upon eleven employees eligible to retire.

Modifications of the vacation leave benefit to state civil service guidelines would provide a productivity enhancement of \$439,300.

Restructuring the clothing allowance benefit could save approximately \$59,500.

<u>Areas Involving Monetary Savings</u>	<u>One-time Savings/ Expense</u>	<u>Annual Savings/ Expense</u>	<u>*Potential Savings</u>	<u>Totals</u>
Governing Body				
Utilize students to videotape council meetings		\$3,500		\$3,500
Administration				
Eliminate benefits for the township physician and psychiatrist		\$11,101		\$11,101
Purchasing				
Utilize "cost-per-copy" contract for copiers		\$36,629		\$36,629
Public Relations				
Reduce public relations function to part-time		\$20,000		\$20,000
Payroll				
Negotiate switch to bi-weekly payroll			\$69,897	
Information Technology				
Information Technology position creation		(\$60,000)		(\$60,000)
Health Insurance				
Establish a 20% co-payment for dependent health coverage			\$163,000	
Promote managed care programs			\$28,596	
Increase prescription plan co-pay amount			\$20,000	
Police				
Modify police work schedule			\$165,271	
Implement tele-service reporting		\$43,500		

Traffic bureau software package	(\$10,000)	\$7,526	
Restructure police organization and staffing		\$118,160	
Establish fee for alarm registration		\$49,300	
Increase administrative fee for towing services		\$9,099	
Increase parking meter rates	(\$810)	\$11,967	
Increase parking permit fees for overnight parking		\$7,200	
Install additional parking meters	(\$25,000)	\$4,400	
Create crossing guard/parking enforcement officer position		(\$16,000)	
Increase overtime parking fines		\$45,136	
Reassign parking meter collection function to crossing guard/PEO		\$2,000	
Implement parking meter advertising program		\$19,440	
			\$265,918
Fire			
Restructure fire organization and staffing		\$829,445	
			\$829,445
Fire Bureau			
Collect fire lane violations		\$1,260	
Establish \$50 fee for pumping flooded basements		\$2,000	
			\$3,260
Emergency Medical Services (EMS)			
Establish an in-house billing program		\$344,000	
			\$344,000
Public Works			
Restructure three assistant supervisor positions		\$10,345	
Provide supervisor training		(\$1,920)	
Increase mechanics' workrate to industry standards		\$75,000	
Eliminate scheduled weekend overtime for mechanics		\$10,246	
Eliminate the body and fender position		\$65,000	
Eliminate seven trucks and contract with snow removal vendor	\$35,000	\$415,000	

Reduce street sweeping services		\$57,900	
One-time savings for cost of street sweeper	\$110,000		
Increase promotion of composting and leaf bagging program		\$68,500	
Eliminate scheduled weekend overtime for pumping station inspection		\$4,154	
Combine buildings and grounds and shade tree division		\$134,216	
Contract the custodial and maintenance function		\$213,000	
Contract tree services		\$51,000	
			\$1,247,441
Planning and Development			
Routing and application processing software package	(\$7,000)		
Purchase another digital camera	(\$500)		
Eliminate public advocate positions		\$3,500	
			(\$4,000)
Health and Welfare			
Eliminate benefits for dental professionals		\$10,714	
Implement a biennial dog canvassing program		\$24,000	
Eliminate benefits for clinical professionals		\$1,738	
Cover 50% of transportation program costs with fees and revenue		\$119,165	
Transfer welfare program to the county		\$50,800	
			\$206,417
Parks and Recreation			
Increase summer park program fees		\$59,280	
			\$59,280
Pool Utility			
Establish a storage fee for chairs		\$2,500	
Increase guest membership fees		\$6,000	
			\$8,500
Public Library			

Increase rental fee for duplicate copies	\$6,000	
Merge administrative functions such as payroll with township	\$1,557	
Replace purchased copiers with "cost-per-copy" machines	\$1,062	
Utilize "cost-per-copy" contracts for coin-operated copiers	\$23,166	
		\$31,785

Collective Bargaining Issues

Modify the longevity benefit for employees	<i>\$18,150</i>
Restructure sick leave for AFSCME bargaining units	<i>\$32,000</i>
Implement sick leave payout cap at \$15,000	<i>\$40,318</i>
Restructure vacation leave	<i>\$439,300</i>
Restructure clothing allowance	<i>\$59,500</i>

Total Recommended Savings	\$101,690	\$2,901,586	\$1,036,032	\$3,003,276
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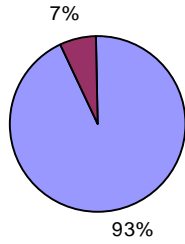
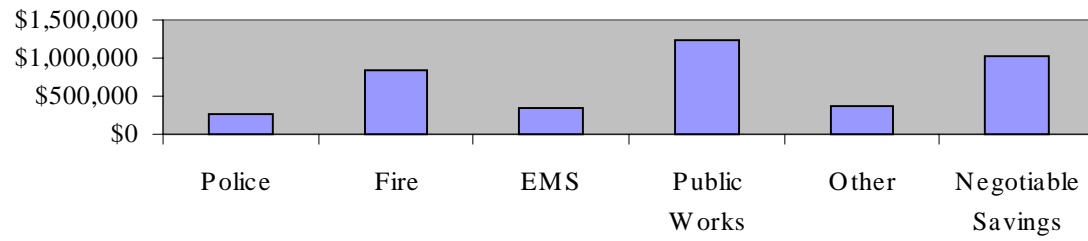
*\$1,036,032 not included in savings of \$3,003,276.

Total Amount Raised for Local Purpose Tax (1997)	\$27,637,694
Savings as a % of Local Purpose Tax	10.87%

Total Budget (1997)	\$42,440,093
Savings as a % of Budget	6.84%

Total State Aid (1997)	\$5,561,892
Savings as a % of State Aid	54.00%

Potential for Savings



■ Budget After Savings
■ Savings

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COMMUNITY OVERVIEW

The Township of West Orange is spread over two ridges and valleys of the Watchung Mountains and is located in the western part of Essex County. It is a suburb in the metropolitan area of New York and Newark.

The township is rich with history. The 300-year-old suburban community was home to inventor Thomas Alva Edison from 1886 to 1931. His laboratories are now the Edison Historical Site and are operated by the National Park Services. West Orange also boasts the fact that Llewellyn Park, the first residential park in the United States and still over 400 acres, lies within its borders.

It is approximately 12 square miles with a 1990 population of 39,103 making it the 3rd largest Essex County municipality based on area and the 5th largest based on population. Since 1980, the population has decreased by 1% from 39,510. The 1996 U.S. Census Bureau estimate shows the population on the rise. Approximately 78% of the tax base is residential and 17% is commercial or industrial; just 2% of land is vacant.

According to the 1990 Census, race and national origin consists of the following: 87.6% White, 5.7% African American, 5.6% Asian and 0.9% other cultures. Approximately 4.4% of the population is of Hispanic origin. Almost 18.9% of the population is over 65 years of age.

According to 1990 Census figures, the median family income was \$59,056 with 1,590 persons in poverty and median home value of \$202,800.

West Orange has continued to provide the high level of service expected by residents while controlling costs. To do so, the township has used techniques such as interlocal agreements, competitive contracting, shared services and regionalization.

The total municipal budget increased from \$40,509,355 in 1996 to \$42,440,093 in 1997 representing a 4.8% increase, while the municipal unequalized tax rate increased from \$1.83 to \$1.91. In 1998, the municipal budget decreased by \$346,576 or 0.8%. The total assessed valuation for the Township of West Orange in 1997 was \$1,445,749,100. The assessed valuation decreased by \$536,832 from 1995 through 1997.

I. BEST PRACTICES

A very important part of the Local Government Budget Review report is the Best Practices section. During the course of every review, each review team identifies procedures, programs and practices which are noteworthy and deserving of recognition. Best practices are presented to encourage replication in communities and schools throughout the state. By implementing these practices, municipalities and school districts can benefit from the Local Government Budget Review process and possibly save considerable expense on their own.

Just as we are not able to identify every area of potential cost savings, the review team cannot cite every area of effective effort. The following are those best practices recognized by the team for their cost and/or service delivery effectiveness.

Curb Hunger Program

The township initiated a program to provide canned and non-perishable foods to soup kitchens and other charitable organizations. Residents put out the donated food with recyclables on their regular recycling day. The recycling contractor picks up the donated items along with the regular recyclables at no additional cost to the township. Special plastic bags are provided by the township to all residents and paid for through contributions from local businesses and organizations. The township received an award from the U.S. Conference of Mayors for this program.

Citizen Police Academy

In 1999, the West Orange Police Department implemented a program to serve the community by establishing the citizens police academy. The program is a spin-off to community-oriented policing programs and its mission is to provide accurate information about police work to the public and to dispel fears and misconceptions about police work. The township is the second Essex County community to offer such a program, as Newark completed its academy several weeks prior to the start of West Orange's academy.

The program is for residents who want to gain insight into what police work is all about. Citizens participating in the academy are given an opportunity to meet those officers that protect and serve the township. Participants are taught the basics of community policing, crime reporting, patrol tactics, pursuit policies, constitutional law, the use of force, search and seizure arrests and the complexities of criminal and narcotics investigations.

The academy consists of ten sessions and then a graduation. Each graduating citizen receives a certificate of participation. The local Policemen's Benevolent Association has volunteered to pay for such items as binders, notebooks and other items necessary for the implementation of the program. The team feels this type of program is a positive tool for creating a stronger bond between the police and the citizens.

Domestic Violence Response Team

The police administration established a team of township volunteers to assist victims involved with crimes. The team, known as the Domestic Violence Response Team (DVRT), is a community outreach program for the prevention of domestic violence. This program allows this professional volunteer citizen group to assist the victims in their own homes at the time of the event. The township solicited professional volunteer personnel to aid crime victims.

The police department provided background investigations, the training and the telephone pagers for this program.

In 1998, the police and the DVRT responded to 353 domestic violence calls. It is estimated the DVRT spends approximately 120 minutes on each call, counseling and helping victims. By having the DVRT handle victim counseling, police officers are allowed to concentrate on the police side of domestic violence, rather than the psychological side. Thus, the DVRT, aside from providing a valuable service to domestic violence victims, also provides a productivity enhancement to the police department. Using the average patrolman salary of \$29 per hour, the DVRT provided a productivity enhancement of 704 hours, worth \$20,474 including supervisory personnel.

This program is noteworthy because it provides a productivity enhancement, as well as a community-oriented approach to assisting crime victims.

Affinity Credit Card Program

In 1997, the township entered into an agreement with United National Bank to issue a Township of West Orange affinity Visa credit card. A percentage of all purchases with the card go to the Main Street Development Corporation and the West Orange First Aid Squad. The township receives approximately \$4,000 to \$5,000 annually from this venture.

Essex County Regional Health Commission

Under a contract with the Essex County Regional Health Commission, West Orange provides pollution control services by serving as a regional environmental court for 14 member municipalities within the county. The commission, at no cost to the township, conducts all enforcement activities and the township has some administrative responsibilities. The environmental court is held twice a month as a special session of the West Orange courts. One of the West Orange judges is specially trained in environmental matters and presides over these court sessions.

Revenue from fines is split evenly between the township and the commission. One half of the commission's share is distributed to the municipality in which the fine occurred. In 1997, the municipal court received more than \$77,000 in revenue from this program.

Quint Purchase

In 1997, the township's fire department purchased a "Quint" fire truck to replace one pumper and the ladder truck. The Quint is a relatively new type of fire vehicle, a combination pumper-aerial device with 125 ft. of ladders that combines five basic firefighting functions that had previously required a separate pumper truck and a separate ladder truck. Savings from this

venture were approximately \$150,000. The fire department is also considering the purchase of another Quint to replace two other apparatus.

Fire Brigades

The fire department's philosophy is a proactive approach to fire prevention. The department has established and trained fire brigades at all of the major businesses and nursing homes within the township. The department tours buildings with supervisory personnel identifying potential fire hazards and how business owners can help the fire department in an actual emergency.

Bus Advertising

The township has implemented an advertising program, which sells advertising space on its buses. The township hopes to raise \$25,000 each year.

II. OPPORTUNITIES FOR CHANGE/FINDINGS AND RECOMMENDATIONS

The purpose of this section of the review report is to identify opportunities for change and to make recommendations that will result in more efficient operations and financial savings to the municipality and its taxpayers.

In its study, the review team found the municipality makes a conscious effort to control costs and to explore areas of cost-saving efficiencies in its operations. Many of these are identified in the Best Practices section of this report. Others will be noted as appropriate in the findings to follow. The municipality is to be commended for its efforts. The review team did find areas where additional savings could be generated and has made recommendations for change that will result in reduced costs or increased revenue.

Where possible, a dollar value has been assigned to each recommendation to provide a measure of importance or magnitude to illustrate cost savings. The time it will take to implement each recommendation will vary. It is not possible to expect the total projected savings to be achieved in a short period of time. Nevertheless, the total savings and revenue enhancements should be viewed as an attainable goal. The impact will be reflected in the immediate budget, future budgets, and the tax rate(s). Some recommendations may be subject to collective bargaining considerations and, therefore, may not be implemented until the next round of negotiations. The total savings will lead to a reduction in tax rates resulting from improvements in budgeting, cash management, cost control and revenue enhancement.

One of the fundamental components of the team's analysis is identifying the true cost of a service. To this end, the team prepares a payroll analysis that summarizes personnel costs by function and attributes direct benefit costs to the salary of each individual. This figure will always be different from payroll costs in the budget or in expenditure reports because it includes health benefit, social security, pension, unemployment and other direct benefit costs.

GOVERNING BODY

The Township of West Orange operates under the mayor-council form of government. The part-time mayor serves as the chief executive and administrative officer of the township and is elected to a four-year term. Five part-time council members are elected at-large to staggered four-year terms. Elections are non-partisan.

The current mayor took office in July, 1998. The previous mayor had served as mayor for 20 years.

In 1997, the mayor received a salary of \$27,746, while council members received a salary of \$13,874. The salaries for the mayor and council have not increased in several years. The 1997 township council operating expenses were \$70,985.

Health Benefits

No council member has received paid municipal health benefits in more than two years.

The township council is commended for reducing health benefit costs.

Videotaped Council Meetings

Township council meetings are videotaped and aired on the local cable television channel 36. A local vendor is hired by resolution to videotape the meetings. The resolution specifies that the videotaping services shall not exceed \$3,500. There is a minimum charge of \$225 per meeting. The fee schedule increases based upon the length of the meeting. In 1997, \$2,350 was paid to the vendor. Videotaping did not start until halfway through the year.

Other municipalities have used high school students to provide videotaping services for council meetings at no cost to the municipality. The high school has an audiovisual department, which could be utilized.

Recommendation:

It is recommended the township contact the board of education to provide students to videotape council meetings.

Cost Savings: \$3,500

Telephone Lines

The mayor and council members can receive a separate telephone line at their home to conduct municipal business paid for by the municipality. According to township officials, not all council members have a town phone line. The purchasing department estimates that over \$1,200 is paid each year for these phone lines.

Mayor's Office

In 1997, the mayor's staff consisted of a full-time administrative secretary and a full-time executive assistant. The executive assistant retired in March, 1997 and was not replaced. The salary and benefits cost of the two positions is \$87,390 and the other expenses were \$5,764 in 1997.

Since taking office in July, 1998, the mayor has initiated several new programs to improve communication and accessibility.

The mayor has reinstituted weekly department head meetings. These meetings ensure that all departments are aware of the programs throughout the municipality. These meetings appear to have improved communication and the coordination of programs.

Extended hours to better accommodate the public have been implemented. The municipal building is open every Tuesday evening and one Saturday morning per month. This has been accomplished without paying overtime to employees by using flextime instead.

The mayor has also installed drop boxes at town hall for residents to drop off payments and other items.

Other initiatives include the installation of a reception desk at the main entrance to town hall. The desk is staffed using personnel from all departments and volunteers. New signs have also been installed to better direct visitors to the appropriate departments.

The township is commended for making town hall more accessible and visitor friendly.

ADMINISTRATION

The department of administration and finance includes the divisions of administration, purchasing, personnel, treasury, collections, accounts and controls, and assessment.

Office of the Business Administrator

The office of the business administrator is part of the division of administration. According to the municipal codebook, the business administrator serves as the director of the department and supervises each of the departments of the township. The business administrator has been with the township for approximately 18 years and previously served as the Certified Municipal Finance Officer (CMFO).

The office of the business administrator also includes an administrative clerk and a personnel assistant. The administrative clerk is primarily responsible for budget preparation, coordination of insurance matters, general correspondence, and other administrative support. The personnel assistant administers all personnel programs throughout the township including employee orientation, pension matters, health benefits, attendance records, and NJ Department of Personnel matters.

Financial

In 1997, the total salary and direct benefits cost for these positions was \$260,285. Other expenses were \$11,967. The total cost for the business administrator's office was \$272,252.

Office of Central Printing and Supply

This office is responsible for sorting and distributing incoming mail, copying and binding large projects such as the municipal budget, maintaining inventory of office supplies used by each department, and designing layouts for forms, leaflets, and letterhead.

In 1997, a full-time machine operator and part-time senior clerk typist staffed this office. The clerk typist was a full-time employee splitting time between the assessor's office and this office. While a portion of the clerk typist's full-time salary was in the central supply budget, the position primarily covered the office during vacations and leaves of the machine operator. Currently, the part-time position has been eliminated and several cross-trained employees from the administration and finance department cover the office when necessary.

In 1997, the total salary and direct benefits cost for these positions was \$89,578. Other expenses were \$24,687. The total cost for this office was \$114,265. The elimination of the part-time position has reduced the office costs by approximately \$26,657 in salary and benefits.

The school district has an in-house print shop that prints various forms for the board of education and also prints the township's newsletter. The township and the school may be able to enhance sharing of printing equipment and personnel.

Recommendation:

It is recommended the township consider sharing printing services with the board of education.

Township Physician

The township employs a physician to conduct physicals for new employees, evaluate on the job injuries, administer the federally mandated drug and alcohol testing program, and coordinate and conduct various health screening, health awareness, employee assistance and OSHA training programs.

In 1997, the township physician received a salary of \$22,892 and pension, social security, Medicare and health benefits totaling \$11,101.

The township psychiatrist, a contracted professional, is responsible for employee evaluations as needed. The township budgets \$1,000 annually.

Recommendation:

It is recommended the township treat the township physician and psychiatrists as contracted professionals and consider the elimination of social security, Medicare, and health benefits. Like all contracted professionals, they should be paid through a voucher system rather than through the payroll. A contract clearly delineating services and fees should also be executed.

Cost Savings: \$11,101

FINANCE

Staffing

The CMFO directs the finance operations and also serves as the township treasurer and comptroller. The finance officer received his finance certification in June 1989 and was appointed as CMFO in September 1991 after formerly serving as assistant controller. The CMFO received tenure in 1995.

In 1997, finance staff consisted of two accountants, a senior payroll clerk, a principal account clerk, and a clerk typist. In 1999, the staffing level was reduced, through attrition, by one accountant position. The individual in this position went on leave in 1997 and did not return.

Functions

Collectively, these individuals manage the following processes: financial and budgetary activities, cash management, sewer charge notices/collections, and accounts receivable/accounts payable.

Financial

In 1997, the total salary and direct benefits costs for these positions were \$368,518. Other expenses were \$29,056. The treasurer's division also had a separate budget for other expenses of \$22,000. The total cost for the finance office was \$359,452. With the reduction of the one accountant position, the savings in salary and benefits are estimated to be \$60,121 in 1999.

TOWNSHIP CLERK

Staffing

The clerk's office is staffed with three full-time employees consisting of the township clerk, a principal clerk typist, and a clerk typist. Township ordinance provides for a deputy clerk position that is currently vacant and is not expected to be filled.

Functions

The township clerk is officially responsible for attending all council meetings and keeping records of all minutes of those meetings, engrossing all ordinances and resolutions, affixing the corporate seal as authorized by the council, and coordinating election activities. This office is also responsible for the preparation and distribution of meeting packets to council members. The clerk's office coordinates the retention of all township records and handles all telephone calls, messages and correspondence for the township council. Other activities include issuing and maintaining records regarding licensing of bingo games and raffles and processing various other certificates and licenses including Alcoholic Beverage Control (ABC) licenses.

Records such as minutes, resolutions and ordinances appear to be well-maintained, well-organized, and up-to-date. The municipal codebook is kept up-to-date and was recently codified. At the time of our review, the completion of an automated codebook represented the culmination of a three-year project.

Financial

The 1997 cost of salaries and benefits for the clerk's office was \$176,754. An additional \$16,853 was expended for other expenses and \$2,464 for overtime during this period.

In 1997, the township clerk's office collected more than \$80,000 in fees, according to township records.

Township ordinances authorize the clerk to collect fees in 26 categories, some of which appear to be overlapping and duplicative.

For example, there are licenses for automatic amusement games, coin-operated businesses and mechanical and electronic amusement devices and jukeboxes, which appear to be similar and not clearly defined.

<u>Item</u>	<u>Codebook</u>	<u>Examples</u>	<u>Annual Fees</u>	<u>Other Fees</u>
Automatic Amusement Games	5-1.14	None	\$250	\$100 per location
Coin Operated Businesses*	5-11.1	None	\$2	-
Mechanical & Electronic Amusement Devices	5-12.5	Video games, pool tables, pinball	\$50	-
Jukeboxes*	5-12.10	Not applicable	\$50	-

*Fees are per machine.

Similarly, there is a separate ordinance for peddlers, hawkers and vendors and a separate ordinance for canvassers, solicitors and distributors. The definitions and fee schedules for these separate items are very similar.

While there may be justified legal and health reasons for some of the distinctions, the township may want to review the ordinances and simplify or consolidate ordinances and fee schedules wherever possible.

Recommendation:

It is recommended that the township attorney along with relevant department heads review the categories of licenses and simplify categories and fee schedules wherever possible.

The clerk's office is collecting fees for self-service laundrettes or laundromats. According to municipal codebook chapter 5-20.2, the health department issues laundromat licenses.

The clerk felt that the issuance of licenses for blasting and tank trucks was not an appropriate function for this office. Blasting requires a permit from the fire department and also involves the code enforcement office. The clerk's office feels it is not properly staffed to evaluate tank truck applications.

Recommendation:

It is recommended that the township review these licenses and consider transferring the issuance of licenses for laundromats to the health department in accordance with the township ordinance. The township may also consider transferring licensing for blasting and tank trucks to the fire department. The clerk's office could still collect the license and permit fees after the appropriate department authorizes the issuance of the permit or license.

PURCHASING

The purchasing division is part of the of administration and finance department. The division processes approximately 3,000 purchase orders (PO's) per year and also prepares payment vouchers.

Staffing

The purchasing division is staffed with two full-time employees, a purchasing agent and an assistant purchasing agent.

Financial

In 1997, the total salary and direct benefits cost for these positions was \$127,352. Other expenses were \$5,922. The total cost for the purchasing division was \$133,274.

Purchasing Procedures

Purchasing procedures and claims procedures are outlined in the municipal codebook chapter 2-67.6 and chapter 2-67.7, respectively.

The township is commended for its clear and up-to-date purchasing policies.

Cooperative Purchasing

The township has cooperative agreements with the township board of education for the purchase of paper and fuel oil. There is also a cooperative agreement with the county for the purchase of rock salt. The purchasing agent meets with departments occasionally to evaluate supply needs as needed.

The township is commended for its cooperative purchasing efforts and is encouraged to expand them where possible.

Analysis

An examination of files at the time of the review showed that the township had a significant number of open purchase orders and “walk through” purchase orders.

LGBR found a total of 80 purchase orders valued at \$363,220 that were open for more than six months. Based on our review of these open orders, 21 of these PO’s valued at \$84,700 were from 1993, and eight PO’s valued at \$12,489 were from 1994.

Some of the open PO’s involved construction and environmental projects, which can be multi-year projects. Purchasing staff reviews open PO’s on a quarterly basis.

Recommendation:

It is recommended the township continue to review all open purchase orders on a quarterly basis.

The team found 68 “walk through” purchase orders that had been processed within a one-month period before the team began this review. While walk through purchase orders are necessary from time to time, 68 in one month seems to be a high number.

These PO’s were treated as emergent rush orders and were primarily for routine office supplies or planned events. The recreation department submitted one for 4th of July fireworks, and trophies to be given at planned awards banquets. The fire department submitted an emergency

purchase order for Bic pens, an electric desktop stapler and clipboards. These items are clearly routine office supplies.

The township should meet with department heads in an effort to reduce the number of rush orders. Many of these orders could be avoided with better planning.

Recommendation:

It is recommended the purchasing division, with the consent and support of the administrator, and mayor and council, clearly define the circumstances when an emergency purchase order is allowable. This policy should be strictly enforced and clearly communicated to all departments and department heads.

The township is encouraged to compare office supply purchases with the prices of the same items available from the state's Distribution and Support Services (DSS) along with other local vendors. Below is a comparison of some supplies. Based on this price comparison sampling, the township may be able to reduce its costs for other supplies through DSS.

Item	Cost	DSS Price
Canary Pads (5" x 8")	\$3.38	\$3.18
Hanging Folders	\$6.17	\$3.12
Toilet Tissue	\$44.11	\$31.35
Clipboard	\$.81	\$.66

Recommendation:

It is suggested that the township use the state's Distribution and Support Services division as one of its vendors to compare the costs of office supplies.

Photocopy Machine

Municipalities utilize duplication machines during the normal course of operations, some in excess of a million copies a year. It can be a major expense depending on usage. With the help of the purchasing agent, the team identified 15 recently leased copiers and one purchased copier.

The team then reviewed documentation provided by the township regarding all photocopy equipment. The purchasing agent coordinates the procurement of all photocopiers. Fourteen of the 16 copiers were lease purchased within the past year, one had a year left on a lease agreement, and the last copier was also recently purchased.

Although the machines were leased in May, 1998, the municipality did not receive a monthly copy charge until December, 1998. One machine assigned to central receiving had to be returned due to the workload in the department being too heavy for the copier selected.

We analyzed the cost of the lease purchase contracts using existing contracts and the average monthly usage estimate over an eight to nine month period. Our analysis revealed West Orange had committed to spending approximately \$185,800 over the life of the contracts or approximately \$61,933 per year.

Cost-per-copy contracts are generally cheaper than the standard lease purchase agreements and include all maintenance and supplies except paper and staples. A comparison to New Jersey State contract T0206 – Cost-Per-Copy Agreements for the same period would have cost \$75,913, a savings of \$109,887 or approximately \$36,629 per year, based upon usage estimates. A spreadsheet for this analysis is included in Appendix A.

Recommendation:

It is recommended that upon completion of existing lease purchase arrangements, the township procure new copiers utilizing the state contract for cost-per-copy equipment. The township must track the current monthly and annual usage of each copier to properly compare to cost-per-copy agreements.

Cost Savings: \$109,887 or \$36,629 per year

BUDGET

The business administrator distributes budget requests to departments in September each year. In mid-October, the budget requests are returned to the business administrator. In November and December, the mayor and business administrator review each request, meet with department heads, and prepare a budget for presentation to the council in mid-January. After several budget hearings, the council introduces the budget in February. The budget is usually adopted in March or April.

Budget/Tax Rate

Over the last several years, the municipal budget and tax rates have been stable. The municipal budget has increased by 7.7% from 1995 through 1999. The 1999 municipal budget, as introduced, was approximately \$3,800 less than the 1998 budget and the municipal tax rate has remained at \$1.91 from 1997 through 1999.

Financial Projections

The Township of West Orange assumes a fiscally responsible approach when it comes to its financial projections.

Revenues and surplus are anticipated at appropriate levels. The projected tax collection rate has been anticipated close to the actual collection rate, but at an acceptable level. The 1999 budget included significant cost reducing personnel changes.

Surplus:

The chart below represents a five-year history of the township's fund balance and indicates a significant increase in surplus since 1995. The largest increase took place from 1996 to 1997, when the ending surplus balance increased \$1,480,664 or 92%.

	1995	1996	1997	1998	1999*
Municipal Budget	\$39,088,751	\$40,509,355	\$42,440,093	\$42,093,517	\$42,089,640

December 31st Surplus – Prior Yr.	\$1,533,718	\$2,168,850	\$1,608,028	\$3,088,692	\$3,279,069
Surplus Percentage of Budget	3.9%	5.4%	3.8%	7.3%	7.8%

*Introduced budget amount.

As the table below indicates, the township has increased the amount of surplus used as revenue since 1995. Over the last four years, the township has used 70% to 80% of its surplus as revenue.

	1995	1996	1997	1998	1999*
December 31st Surplus – Prior Yr.	\$1,533,718	\$2,168,850	\$1,608,028	\$3,088,692	\$3,279,069
Anticipated as Revenue	\$1,000,000	\$1,680,000	\$1,150,000	\$2,500,000	\$2,500,000
Percentage Used	65.2%	77.5%	71.5%	80.9%	76.2%

*Introduced budget figure.

All municipalities should have an adequate amount of surplus, although there is no prescribed percentage or amount of surplus that is deemed as "adequate." As a general rule, it is recommended that the amount of surplus anticipated as revenue in any budget be limited to the amount that can be reasonably assumed to be generated in the next year. Over the last five years, the township has met this general guideline in all but one year.

Projected Tax Collection Rate:

After a review of projected tax collection rates and actual tax collection rates, the LGBR team had an initial concern that the township was using too narrow a margin of error when calculating the projected tax collection rate for the upcoming fiscal year.

In 1996, the projected tax collection rate was 97.75% and the actual rate was 98.00%. In 1997, the projected rate was 97.65% and the actual rate was 98.76%. In 1998, the township used a projected rate of 98% and the actual was 98.62%.

The CMFO, business administrator and tax collector set the projected tax collection rate during the budget process. These individuals have worked together for over 15 years and are very aware of the financial conditions of the township. While the margin for error initially appeared to be narrow, it is apparent that the projected tax collection rates were realistic.

There are very few municipalities that can successfully anticipate a tax collection rate of 98%. The fact that West Orange is able to project such a high tax collection rate is a testament to the excellent performance of the tax collection office. The township should continue to closely monitor financial conditions which could have an adverse effect upon the actual projection rate, as a loss or losses of any moderate to major businesses within the township due to bankruptcy or relocation could significantly impact the collection rate. For example, an actual collection rate one percent lower than anticipated will cause a revenue shortfall of approximately \$953,000, based upon the 1997 tax levy.

Revenues:

In 1997, total revenues realized were \$44,696,310 compared to total anticipated revenues of \$42,444,188. This amounted to excess revenues of \$2,252,122 or 5.3%. Similarly, actual revenues for 1995 and 1996 were 4.2% and 1.5%, respectively, greater than budgeted revenues.

The township also received unanticipated, non-budget revenues in 1997 in the amount of \$360,374. While some of these revenues recur annually, there can be significant fluctuations from year to year. Thus, it is appropriate to keep these revenues as unanticipated, non-budget revenue items.

1999 Budget

The 1999 budget included the reduction of nine positions through attrition. The savings from these reductions were approximately \$463,000 in salaries plus approximately \$100,000 in direct benefits. Township officials believe that the reductions can be absorbed without a significant impact on services.

Organizational restructuring will result in additional budgetary savings. The 1999 township budget also includes the restructuring of several departments. Police has switched five police officers performing administrative duties to patrol duties. These officers have been replaced by civilian clerical staff at lower salaries. Some positions have been replaced with part-time staff without health benefits.

The township is commended for its cost saving personnel initiatives.

Debt Service

The goal of any municipality that seeks to properly manage its debt service is to stabilize its debt payments in order to avoid severe fluctuations. As of December 31, 1997, the township was carrying \$34,739,981 in net debt including \$10,869,981 of bonds and notes authorized but not issued.

The township is limited by state statute (N.J.S.A. 40A:2-6) to a maximum bonded indebtedness equal to 3½% of its equalized assessed valuation. According to the township's 1997 audit report, the percentage of statutory net debt was 1.24%. In 1997, the township's debt service payments were \$2,665,191 in principal and interest for bonds and notes.

Debt Service	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>
<i>(appropriated)</i>	\$3,248,000	\$3,107,000	\$2,139,000	\$2,531,000

Capital Improvements

In 1997, the township council passed three bond ordinances for capital improvements totaling \$1,898,955. These funds were allocated for various projects including renovations to the first aid squad building, road repairs, facility improvements, and equipment and property purchases. In 1997, the township expended \$262,210 from the capital improvement fund. It appears that most capital projects are bonded.

Recommendation:

It is recommended the township review its financing methods and consider funding capital projects with a mix of “pay as you go” and bonding.

Audit Findings

A review of the audit findings of the last four years revealed a significant increase in recommendations in 1997, which was also the first audit from new auditors.

In the 1994 audit, there were seven recommendations. The 1995 audit contained five recommendations, with two being carried over from the prior year. In 1996, the township auditor identified five recommendations, with two being carried over from 1995. The 1997 audit report contained 10 recommendations, with two being identified in the previous year.

One of the recommendations occurred in all four audits and involved the requirement to deposit all receipts collected within 48 hours per N.J.S.A. 40A:5-15. Departments such as police, planning and zoning, engineering, and health did not comply with this regulation. No one department was mentioned in each of the four audits.

Based on state and federal requirements, the chief finance officer is required to respond to the auditor's findings and must submit a corrective action plan within 60 days from the date the audit is received by the governing body. The township has complied with these regulations and has submitted corrective action plans.

CASH MANAGEMENT

Functions

Personnel within the administration and finance department handle the business functions in the Township of West Orange. They include the certified municipal finance officer (CMFO), business administrator, tax collector, assistant tax collector, accountant, purchasing agent and several support clerks.

Collectively, these individuals manage the following processes: financial and budgetary activities, cash management, tax collection, sewer charge notices/collections, accounts receivable/accounts payable, and purchasing.

The business administrator and CMFO have been with the township for 18 and 15 years, respectively. In addition to serving as the CMFO, the finance officer holds the positions of treasurer and comptroller.

Cash Management Plan

The township adopted resolution 8708-98 on August 18, 1998, in accordance with N.J.S.A. 40A:5-14. The document names the designated depositories for township funds. The resolution also describes the terms and conditions that bind a local government to specific banking practices. There are 10 banks listed as designated depositories in addition to MBIA-Class of New Jersey and the New Jersey Cash Management Plan (NJCMF).

The cash management plan defines the following: (a) designated official depositories, (b) scheduled deposit of funds, (c) definition of allowable investment instruments, (d) definition of acceptable collateral and protection of township assets, (e) compensating balance agreements, (f) reporting procedures, (g) diversification requirements, (h) maximum maturity policy, (i)

investment procedures, (j) return on investment policy, (k) internal controls, (l) bonding coverage, and (m) compliance issues.

General Operating Accounts

The Township of West Orange maintains several cash accounts: animal control fund, assessment trust fund, community development block grant, community development-HUD, current fund, general capital, general trust, homeowner loan, municipal insurance trust, public assistance trust fund I & II, section eight housing, swim pool operating, unemployment trust, and workers' compensation.

All accounts are interest-bearing, each one earning a competitive rate. Daily bank deposits are made by 10:00 a.m. either by the finance officer or the accountant, accompanied by a police escort. The weekly payroll deposit is made on the day immediately preceding the check issue date which enables the entity to maximize its income earning potential.

The bank reconciliations, except for the library accounts and two employee funds, are prepared by the accountant. The finance officer reviews and validates the reconciliations. All disbursements, except for payroll checks, are signed by the CMFO, mayor, and tax collector, while the business administrator is the alternate designee. Likewise, the payroll checks are signed by the finance officer, while the mayor, tax collector, and business administrator are alternates.

Banking Relationship, Services and Products

The township has maintained most of its funds with the same community bank for more than five decades. The government-banking representative is the primary contact person regarding investment policies and practices. All other matters are handled at the branch level. The township's long-standing relationship with its banking partner is the result of favorable customer service and convenience.

Traditionally a written agreement, generally in letter form, is drawn up between the public entity and its banking partner. This document illustrates the various banking services and related fees that the client can expect to receive. Presently, the township relies on its long-standing relationship with its bank in the absence of a formal agreement. Nonetheless, the finance officer has requested that an agreement be executed by the bank.

In August 1998, the township's primary banking partner installed an on-line banking service that provided for controlled disbursements and account reconciliation. These are the only automated banking services that the city employs.

By definition, controlled disbursements is "a bank service that provides same-day notification (usually by early or mid-morning) of the amount of checks that will clear against the corporate disbursement account that day." Account reconciliation is "a service that provides the corporate user with a list of checks cleared or still outstanding". The cost of these services is \$50 monthly.

Additionally, electronic fund transfers are used for the receipt of municipal state aid, federal grants, and large tax sales, in addition to state pension and federal and state tax withholding payments.

The township's primary banking partner pays the payroll service company approximately \$26,000 a year, for an estimated 400 checks per week or 20,800 annually. The monthly maintenance fee includes preparation of the routine pre- and post-payroll reports, as well as the standard quarterly tax reports. Payroll services are paid via compensating balances with no reduction in interest.

This fee is significantly lower than any payroll service our team has seen. Most notably, this is a more cost-effective and efficient means of preparing the municipal payroll than having it done by in-house staff. The township has been using this firm for 15 plus years and is pleased with the services as well as the fee structure.

Competitive Bidding

Requests for banking services are routinely solicited and evaluated every two years. The township has chosen to remain with the same bank as a result of its services and fees relative to the other respondents.

Recommendation:

It is suggested the township continue to solicit requests for banking services every two years. According to N.J.S.A. 40A:11-15, contracts for professional services, such as banking services, cannot be made for periods of more than 24 consecutive months. This is a perfect opportunity for a public entity to review its banking practices and look for new methods to improve its banking relationship(s). The extent of the information provided depends on the nature and scope of the request. It can be a brief summary or a detailed report, such as a Request for Information (RFI), a Request of Quotation (RFQ) or a Request for Proposal (RFP).

Account Analysis Process

The bank provides monthly bank statements for each cash account as well as an aggregate account analysis summary. All of the accounts are included in the summary with the exception of the public assistance, housing and CDBG grant funds. These cannot be included with the operating accounts since the entity is not entitled to earn interest on grant funds. Any interest earned on these funds goes to the federal government. Hence, these funds remain separate from the others and in non-interest bearing accounts.

The account summary illustrates various average balances, as well as a service fee schedule. The monthly maintenance fees are paid via balance compensation. By definition, this is "compensation for bank services in the form of collected balances." Under an account analysis, a competitive and usually higher net interest rate is earned since the income is derived from a larger aggregated account balance, as opposed to computing earnings against smaller individual units.

The client benefits from the account analysis in many ways, some of which are: (a) a competitive rate indexed to the 91-Day T-Bill is earned on the net available collected balance;

(b) monthly service charges are debited against the compensating balances instead of having to pay for them in hard dollars; (c) cash balances can be adjusted easily to accommodate the service fee debits; and (d) comprehensive and timely monthly statements describe the individual type services and related costs.

This process allows the entity to determine if account balances are in line with the township's cash needs. Hence, adjustments can be made immediately and cash flows updated accordingly. Likewise, the account analysis statement is the most current announcement of the service fee schedule.

Recommendation:

It is suggested the township review its account balances and determine where there may be excess funds that could be invested longer term, instead of leaving them in checking accounts.

Account Balances and Earnings

In 1997, the township maintained aggregate account balances ranging from \$2,300,000 to \$2,900,000 illustrating a very consistent flow of funds. The aggregate earnings credit allowance was \$53,500, with rates ranging from 4.42% to 4.64%.

Generally, interest income is recorded and the account is charged the maintenance fees. The West Orange accounts are currently using an earnings credit allowance method.

The LGBR team compared the actual earnings credit allowance to the estimated potential earnings from the New Jersey Cash Management Fund (NJCMF) and the 91-Day T-Bill. The following illustrations demonstrate our findings.

	Interest Rate Range	Net Potential Earnings	Additional Potential Earnings
1997 Actual	4.42% - 4.64%	\$53,500	-
NJCMF	5.24% - 5.52%	\$55,800	\$2,300
91 Day T-Bill	4.96% - 5.16%	\$53,400	\$(100)

Our analysis indicates that the township earned a competitive and reasonable rate on its excess account balances. The township should evaluate the various methods for applying interest and service charges to its accounts and meet with its banking representatives to discuss which is the best alternative.

Recommendation:

It is suggested the township meets with its government banking representative and review the application of an earnings allowance credit as it compares to applying to interest earnings. This comparison will aid in deciding whether the present application should remain or be altered.

Cash Flow

The daily cash flow and account balances are monitored by the CMFO. Although there is no formal and mechanized cash flow, the township monitors and controls its flow of funds to avoid overexpenditures and negative account balances.

The cash accounts are carefully monitored to ensure that excess account balances are kept to a consistent and practical level. Additionally, only active and necessary accounts remain open. In doing so, this helps to minimize the administrative overhead attached to maintaining these accounts. Nonetheless, the CMFO has indicated a willingness to develop a cash flow per our suggested sample.

Recommendation:

It is suggested the finance office prepare at a minimum, one year cash flow projections for its operating accounts, on or about the time that the budget is adopted. This is a perfect opportunity to forecast the future in terms of the township's cash position.

Cash flow projections are an easy and effective means of monitoring and controlling revenues and expenditures. They provide a meaningful mechanism by which the entity can decide how much it can invest and under what terms, hence, more opportunity to enhance its earning power. Likewise, the long-term projection can be used to develop a short-term version, which would typically include a more detailed accounting of revenues and expenditures.

Investments and Earnings

The township invests in the MBIA-Class of New Jersey and the New Jersey Cash Management Fund (NJCMF). These are private and state-run investment pools, respectively, offered to county and local governments, and school districts.

The township had several Certificates of Deposit (CDs) in 1997, with three banks, most of which were rolled-over upon maturity. The deposits ranged from \$7,000 to \$4,000,000, with interest rates ranging from 4.18% to 5.90%. The aggregate income earned was \$179,500. Nonetheless, consideration is being given to moving some of these funds to longer term CDs, and/or the NJCMF.

The township also has an account with the MBIA-Class of New Jersey. The year-end account balance was \$273,300, with interest rates ranging from 5.10% to 5.37%. The aggregate income earnings were \$52,100.

Lastly, the township also has six accounts with the New Jersey Cash Management Fund, with year-end account balances ranging from \$317,400 to \$1,620,400. The interest rates ranged from 5.29% to 5.52% with an aggregate income earnings of \$316,700.

Recommendation:

The LGBR team encourages the township to continue to review its cash needs routinely to determine if longer term investments could be initiated. This would garner greater income earnings while reducing administrative overhead.

TAX COLLECTION

Staffing

The tax collector's office is currently staffed with three full-time positions: the tax collector, an assistant tax collector and a support person. The team found the office extremely well-run, and was impressed with the overall performance of the office.

With a staff of three, West Orange collects against approximately 13,500 taxable entities including residential, commercial, apartments and industrial properties. This translates into 4,500 tax lines per employee. Using a benchmark established from prior LGBR reports, an efficient staff to tax line ratio is approximately 3,000 tax lines per person. The tax collector indicated that the existing staffing level is more than adequate and requires no additional staffing. For those periods of the year when the workload increases, such as mailings, the office is able to utilize staff from other departments for assistance.

The township is commended for an efficient staffing level that exceeds the norm by approximately 50%.

Financial

In 1997, the office had a salary and benefit cost of \$202,312 and operating expenses of \$18,487 for a total cost of \$220,799.

Collection Rate

New Jersey currently accepts 95% as the average/acceptable tax collection rate for municipalities. The township's tax collection rate has been at 98% or above for the last four years.

The team attributes the rate to aggressive collection activities by the tax collector, such as phone calls to larger delinquent taxpayers and mortgage companies.

The township is commended for its excellent collection rate and its aggressive collection activities.

The office moved tax lien sales from May 28th in 1997 to March 28th for 1998, and beginning in 1999 tax year, to January of each year. By performing the sales as early as possible, the municipality recovers the lost revenue and moves the property back to the tax rolls as soon as possible. On the other hand, by holding the sale later in the year, the township will earn 8% to 12% on the delinquent taxes. This should only be done with an adequate cash flow.

Recommendation:

It is recommended the township review its cash flow, loss of revenue, and potential interest earnings and determine the best time to hold its tax lien sale.

The tax collector also evaluates each property to minimize foreclosure expenses. If maintenance upkeep of the property will cost more than the value of the property or lien, the office will delay foreclosure proceedings. It is suggested the township carefully evaluate each decision to delay foreclosure proceedings as there are other factors to consider besides the foreclosure costs. By not foreclosing, the township saves on the foreclosure costs but also spends additional funds in the reserve for uncollected taxes to compensate for the decrease in its tax collection rate. Also, the costs associated with not foreclosing compound year after year. Foreclosing gets the property off the tax rolls and reduces some of these additional costs.

Delinquent notices are mailed quarterly to both property owners and mortgage companies. Finally, easy accessibility to office and plans to install a drop box for payment before and after business office hours make the office convenient to taxpayers.

TAX ASSESSMENT

Staffing

In 1997, the tax assessment office was staffed by a tax assessor, an assistant assessor, a principal assessing clerk, and a principal clerk typist, who split time between the central supply office and the assessor's office.

The office has been reduced by 50% and there is no longer an assistant assessor and a principal assessing clerk. The tax assessment office is currently staffed by a full-time tax assessor and a full-time clerk typist. The tax assessor was appointed on July 1, 1998 and had previously served as assistant assessor. The clerk typist was transferred from the engineering department.

According to standards promulgated by the International Association of Assessing Officers (IAAO), a municipality of West Orange's size with approximately 13,500 line items should be staffed by a full-time assessor, an assistant assessor, and two clerical positions in order to competently complete the duties of the assessor's office. In 1999, the township budgeted for an assistant assessor position and for additional use of outside firms to handle added assessments and other major assessments.

Recommendation:

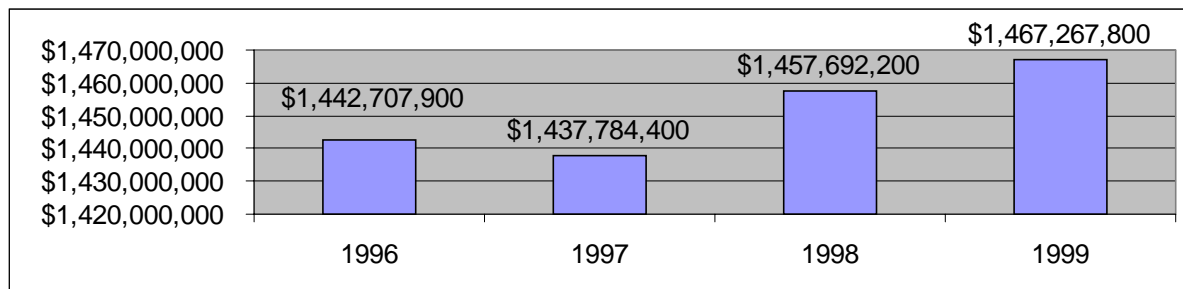
It is recommended the township continue to monitor the productivity and workload levels and staff the tax assessment office appropriately.

Financial

In 1997, the salary and benefit cost for the tax assessment office was approximately \$204,801. In 1997, there was \$28,469 expended in operating expenses. The total tax assessment costs for 1997 was \$233,270.

Assessed Valuation

The assessed valuation has increased by over \$24 million from 1996 through 1999, even with a slight decrease in 1997. The township's last revaluation was approximately 15 years ago. The current equalized ratio is about 51% and the equalized valuation is approximately \$3 billion.



Payment In Lieu of Taxes (PILOT)

West Orange has four properties qualified as being exempt from taxation, but required to pay an amount of money in lieu of taxes. All PILOT records were located in the tax collector's office and property files on each of the four abated properties included establishing resolutions with terms, amounts, conditions, management personnel and copies of quarterly payments made to the municipality. Verification of terms and payments was made for the four properties with no discrepancies.

The assessor's office is required to retain all records for all properties regardless of their taxable status.

Recommendation:

It is recommended the tax assessor keep a complete record of all PILOT properties on file, separate from the collector's office.

Added Assessments/Building Permit Data

The charts below show the increase in the total number of building permits for new construction and new additions which have resulted in corresponding increases in the value of added and omitted assessments.

	Permits Issued	New Buildings	New Additions
1996	1,254	25	30
1997	1,501	173	35
1998	1,628	206	34

	New Line Items	Added	Omitted	Total Value
1996	291	\$4,335,100	\$2,508,300	\$6,843,400
1997	177	\$4,605,700	\$684,000	\$5,289,700
1998	163	\$11,932,900	-	\$11,932,900

This is a positive trend for West Orange and the tax assessor has noted that there are several subdivisions built with a total of more than 400 units, which will be added to the ratable base. After discussions with the tax assessor, there is a consensus that a monthly review of building permits and certificates of occupancy issued by the building department are a critical means to increase the ratable base. With proper staffing, the concentration on added and omitted assessments should remain constant and should continue to add to the ratable base.

Tax Appeals – Loss of Ratables

The loss of ratables due to tax appeals is a concern for municipalities as it affects their ratable base, the tax collection rate, and in turn the tax rate of the community. The figures below reflect appeals at the county and state level.

County Tax Board Appeals	1996	1997	1998
Number of Appeals	509	378	484
% of Total Properties	3.8%	2.8%	3.6%
Ratable Loss	\$3,582,483	\$5,225,309	\$5,534,192

State Tax Court Appeals	1996	1997	1998
Valuation of Ratable Loss	\$14,494,306	\$3,934,600	\$15,820,593
Valuation of Appeals Not Settled	-	\$6,295,000	\$30,019,200

While the number and amounts of appeals has increased from 1996 to 1998, they seem to be minimal. During this period, the total ratable base has also increased. The level of tax appeals and loss of ratables is normal when compared to other municipalities of its size throughout New Jersey.

Professional and Legal Services

County tax board appeals and state tax court appeals are handled by the township's legal department. The township contracts for professional appraisal services primarily in defense of values for state tax court appeals on commercial and industrial properties. The township expended \$20,800, \$18,263 and \$21,973 for appraisal services in 1996, 1997 and 1998, respectively.

In 1998, the township spent \$5,410 for new construction and added/omitted assessments, which were previously handled by the assistant assessor. The assistant assessor position was not filled when the current tax assessor was promoted from the assistant position.

There does not appear to be an over-reliance upon outside professionals. The filling of the assistant assessor position will increase expenditures but the long-term impact is foreseen as positive.

PUBLIC RELATIONS

The West Orange Public Relations Commission was created in 1997 to improve the image and reputation of the township and publicize the many assets and advantages of the community. A few years ago, the township's past administration received a significant amount of negative press primarily involving the police administration.

Organization

The commission, consisting of 18 citizen members, is responsible for developing a comprehensive public relations program. A public relations professional is contracted to conduct the day-to-day public relations activities throughout the township. While this position is not a full-time position, the vendor was required to give a full-time type of effort, which the township has received.

Financial

The annual contract with the public relations professional is for \$40,000. The budget for other expenses was \$10,000 in the first year and \$5,000 in the second year. The commission has been successful in obtaining donated services and materials for its various programs.

The township is commended for keeping expenditures at a minimum.

Programs

In its first year, the commission initiated many worthwhile programs to project a positive image of the township such as a billboard advertising campaign, video promotions of the township, an improved relationship with the local press and redesigning of the municipal newsletter.

Future plans include improvements to the West Orange Website, and a bi-weekly cable television program with the mayor.

It is apparent that the public relations commission has produced positive results as the township appears to be getting “back on the right track.” Several township officials feel that the commission has been a successful venture, and that it has been money well spent.

The township must determine whether the public relations program was a temporary or permanent need. Now that the township’s image has been enhanced, the township may be able to restructure the public relations effort. It is suggested the township review the need for a full-time effort. With the comprehensive program developed, the commission and administrative staff may be able to assume some of the duties.

Recommendation:

It is recommended the township re-evaluate the need for a full-time public relations effort. The township may be able to scale back public relations to a part-time effort.

Cost Savings: \$20,000

PAYROLL

When LGBR performs a review, one of the very first documents requested is the payroll for the fiscal year being examined. The information provides critical data for comparing and costing of operations. It has been our experience over the past 40 reviews that payroll information usually requires two to three weeks to generate. When a private payroll vendor is involved, a nominal fee is charged. In West Orange, the payroll vendor took almost three months to generate the data in a useable format.

In addition, the data required additional manipulation, which further delayed the review. The reason for the delay appears to be organizationally related to its regional office. The issues were eventually resolved with the assistance of its southern office, and for that the team was grateful.

According to the payroll company, the additional data manipulation was the result of improper payroll processing by the municipality's payroll department, specifically, the failure to code additional pay benefits into the vendor supplied software. The additional coding would have allowed the vendor to identify and report information such as holiday pay, clothing allowance, stipends, educational reimbursements and extra duty pay.

The team inquired as to why the township did not code and request this information from the payroll company, which is useful for budget preparation and analysis. Township officials responded that the data we requested is available through departmental records. While each department had the requested information, the data was in a variety of formats including outdated databases and handwritten or typed journals and ledgers.

While both the team and municipality's methods resulted in similar dollar costs, the manpower used by the departments to create and maintain their reports for payroll and budgeting represents an inefficient practice.

There are many office automation packages available that capture and maintain all personnel and payroll operations, or the municipality could develop a relational personnel database compatible with the existing network that would perform the same function.

An effective office automation package could then be used to automatically adjust negotiated benefits when an individual qualifies for an adjustment, report the payroll cost of a department, and develop and export budgeting information. The team feels the problem could be solved with improved use of technology. (See Information Technology section of report.)

Recommendation:

It is recommended the township explore and implement an automated process for maintaining and developing payroll information that can be directly imported into the vendor software. This action will produce productivity savings for all departments. However, because of the existing decentralized system and the number of people involved in creating and maintaining the existing reports, the team was unable to quantify the savings.

The team found some use of technology in payroll with the installation of a swipe card monitoring system. Employees are required to swipe their employee cards which register their daily work hours.

According to township officials, the system was experimental and not connected to the payroll computer in the finance office. Apparently, there were some problems which needed to be solved prior to connecting to the payroll. During our interviews, the team was told by officials, the swipe system was installed because employees were not working the entire workday. In addition, we found some employees were not even using the system.

Recommendation:

It is recommended that the municipality address any problems with the swipe card system and link it with the payroll program. This will allow the municipality to maximize the use of existing technology.

West Orange issues payroll checks on a weekly basis. The municipality staffs the departments with two clerks who enter the data into a software package supplied by the payroll company. Payroll is then submitted to the company for printing. The entire process takes both employees about two and one-half days per week. In the 1997 fiscal year, the township issued over 25,000 checks at a cost of \$23,068. W-2 processing was an additional \$1,692.

The issuance of payroll on a weekly basis represents an inefficient and costly method for payroll. Switching to a bi-weekly payroll, the vendor estimates the township will reduce its vendor payroll costs by \$11,533.

Switching from a weekly payroll to a bi-weekly payroll should allow the township to reduce its payroll staff by one position. One of the payroll clerks is near retirement. If this position is eliminated upon retirement of the individual, the township will save approximately \$58,364.

The township already has negotiated language, in three of the six collective bargaining agreements, permitting the change to a bi-weekly payroll.

Recommendation:

The township is commended for negotiating a change to a bi-weekly payroll with its unions. It is recommended the township continue to negotiate the change to a bi-weekly payroll, and, upon successfully negotiating it with the remaining three unions, consider eliminating one payroll position upon retirement, for a total savings of \$69,897.

Potential Cost Savings: \$69,897

Finally, the team requested information regarding the solicitation for the payroll services. The municipality could not produce or even remember the last time payroll services were solicited. It is suggested vendor services be solicited every two years.

Recommendation:

It is recommend the township periodically solicit for payroll services to ensure the municipality is receiving competitive rates. According to N.J.S.A. 40A:11-15, contracts for professional services, such as payroll services, cannot be made for periods of more than 24 consecutive months.

PERSONNEL DEPARTMENT

The township's personnel policies and procedures are guided by civil service regulations, six different collective bargaining agreements, and provisions in the personnel manual and municipal codebook. With personnel policies and procedures located in these various locations, the township should continually review them for consistency.

West Orange staffs the personnel department with a personnel assistant who is responsible for maintaining and data entry of all personnel records including maintaining records of vacation and sick time usage, job descriptions, and employee evaluations.

The personnel assistant is also responsible for new employee orientation and the corresponding paper work for health benefits and pensions. Complex employee training is handled by the employee's assigned department. For example, the health department handles Right to Know, public works provides Confined Space training and the fire department provides First Responder Awareness-Level One.

The tracking of personnel time occurs on both a departmental level and in the personnel department. Departments monitor and report employee leave and submit monthly reports. (See Information Technology and Payroll sections).

Employee Performance Reviews

It appears the only employees not subject to performance evaluations are the police and fire departments. While the police department's operating procedures stipulate an evaluation process, the department could not remember the last time an employment performance evaluation occurred.

According to West Orange Fire Department General Order 98-2, personnel performance evaluations should occur on an annual basis. Prior to 1998, performance evaluations occurred only shortly after an individual was hired.

We found that the employee evaluations were discontinued after the evaluations were all returned to the administrative office with the highest possible score and no accompanying documentation. LGBR interviews found that internal lack of cooperation by employees caused the process to fail.

Employee performance evaluations are an important management tool for assessing organizational and staffing needs and developing staff. Employee evaluations should be performed for all municipal employees as it is unfair to single out departments for employee evaluation and not enforce performance reviews in others.

Recommendation:

It is recommended the municipality implement performance reviews in all departments. The New Jersey Department of Personnel can provide expertise in establishing uniform performance assessment review procedures for the police, fire and other municipal departments.

INFORMATION TECHNOLOGY (IT)

The integration of technology into the work place provides management with numerous opportunities for productivity enhancements and the empowerment of employees. Unless achieved through careful planning and development, the result can be quite costly to taxpayers. As part of the review, the team examines how a municipality utilizes technology from the department level to the organization as a whole.

While the township's technology is very good in some areas, there were some areas of concern primarily related to Year 2000 (Y2K) issues and the coordination of purchases. A preliminary draft of this section was submitted to the township so that it could address the Y2K issues.

Technology Plan

With the exception of the library, the municipality, at the time of the review, did not have an organized technology committee, a technology plan, nor a staff to implement one. While the township has many employees that are very knowledgeable about computers, the LGBR staff did not find any township employees with the technical expertise to address, coordinate and implement the technological needs for the whole township. The business administrator later informed LGBR staff that a website committee was functioning as an ad hoc technology committee and was addressing Y2K issues.

Office Automation

The team found an array of PC based computers throughout the entire township, from a few old 286 IBM clones to newer Pentiums. Most of the older computers were not Y2K compliant.

The team found a lack of software continuity and uniformity throughout the township with some software approximately 15 years old. As a result of this, there were some inefficiencies.

In 1998 and 1999, the township purchased almost 60 new Pentium computers. These new computers should address most issues relating to Y2K and improve the overall efficiency related to software uniformity.

Unlike many municipalities, which are not networked, West Orange has three networks within the municipality: the fire department, the police department, and the administrative departments.

Year 2000 Readiness - Y2K

As previously stated, the township was given a preliminary draft of this section so that the township could address Y2K issues on a timely basis. In an effort to address these issues, the township has set up a township Y2K committee, has been working with a computer consultant, and has purchased, as mentioned above, nearly 60 Pentium computers. These new computers are essentially Y2K compliant with minor issues.

Recommendation:

The township is urged to monitor all equipment including hardware and software to ensure that everything is Y2K compliant, even after January 1, 2000.

IT Purchasing

The township does not have an IT department to coordinate the technological needs of the municipality. When there is no IT department, MIS purchasing usually is coordinated through the chief financial officer. According to the business administrator, the CFO, tax collector and the business administrator are involved with all IT purchases. LGBR found examples of equipment purchases occurring on the departmental level with limited coordination between departments.

The decentralized or independent purchasing of computer equipment can lead to inefficient use of technology and funds.

Networks

The fire department has a network within the fire department's main headquarters. The department established a network with email for its office's five computers. This network is not linked with the three remaining firehouses. Another computer system found in the fire department was linked to the police department for the sole purpose of reporting the department's activity to the National Fire Information Reporting System.

Police department IT operations are coordinated by a police lieutenant and a data processing technician. The caller-assisted distribution system is not year 2000 (Y2K) compliant and as of January 1999, the system manufacturer has notified the police department that, because of the age of the system, they will stop providing technical support. The township is addressing these issues in the police department. The business administrator was confident that the township had enough time to upgrade the police system.

The main administrative office houses a recently purchased network with a Novell platform for the purpose of linking the administration building with public works and recreation. The municipality spent \$65,886 for all the necessary hardware, software and support.

The township did not have a Request for Proposals (RFP) or technology plan supporting the purchase. The police and fire departments were not included in the administrative network because these two departments had their own systems: the fire department, a Windows NT network, and the police in the design stages of upgrading their existing Unix network. Neither were compatible with the administrative network. This is an example of what can occur with decentralized IT purchasing when there is no technology plan.

When the three networks are compared, it is apparent all three systems are incapable of communicating with each other without additional equipment and cost. In order for these systems to communicate, at least one gateway will be required to act as a "translator" between

the systems at a cost of \$2,000 - \$3,000. An alternative would be to link each network to the internet which would allow email between all departments. However, the internet is not a private or secure medium for email communications.

If the systems are not linked, each network will have internal communication ability only. The business administrator and chief financial officer will be able to email each other, but not the administrators of the fire department, the police department, or the library.

According to the business administrator, all departments have at least one computer linked into the administrative network and all departments are able to communicate with each other. The fire and police departments indicate that they are not linked to any other department and cannot communicate on the administrative network. Apparently, there is some confusion regarding the capabilities of the networks and a need for coordinated IT activities.

Recommendation:

It is recommended the township consider linking the networks and all terminals. The township must train its personnel about the capabilities of the current and any future networks.

Service Contracts

In 1997, the municipality spent \$250 per computer to insure various older computers with limited capabilities. Newer computers are not on the service contracts because they are covered under manufacturers' warranties. The following chart details the 1997 service contract:

Computer Type	# of Computers	Cost of Coverage
PC 286	4	\$1,000
PC 386	27	\$6,750
PC 486	20	\$5,000
Pentium 75	5	\$1,250
Pentium 90	1	\$250
Pentium 100	3	\$750
Pentium 120	2	\$500
Total	62	\$15,500

The municipality had service contracts for many older computers that at best could only be serviced with used parts. Purchasing service contracts for computers no longer manufactured and not Y2K compliant represents an expense with little or no return value. In 1997, \$14,500 was spent on the Pentium 90 or older computers.

Recommendation:

It is recommended the municipality discontinue coverage on any Pentium 90 or older computer. The \$14,500 spent on the service contract for these computers could be used to purchase up to 10 new personal computers or possibly 20 central processing units (CPU's), if the existing hardware is compatible, each year to replace existing computers in age order.
Website

There is an unofficial website maintained at no cost by a local company with input from department heads. In exchange for maintaining this site, the company sells advertising space to local companies on the site.

The West Orange Website Committee is developing an official website with its own domain. The site is expected to be accessible in 1999.

Recommendation:

Given the potential litigation involving the internet and sponsored websites, it is recommended the municipality issue a resolution designating its official website.

Internet

With the exception of the library, the municipality does not provide access to the internet to employees. The team found several departments with internet access primarily through the personal internet accounts of employees. Several employees use the internet for important information such as grant searches and work-related programs. To date, the police department has procured over three million dollars in grants. The internet was used for many of these grants.

The team commends the township employees for using the internet to obtain alternative funding sources for the municipality.

West Orange enjoys a geographic advantage of being a major junction area for fiber optic wiring. In addition, the school and municipality both use the local cable company for transmission of council meetings and school board meetings. At the present time, cable provides internet access at 10 times the rate of a T-1 line.

The township may be able to negotiate free internet access as part of its upcoming cable television renewal agreement. The municipality may even consider joining with the library or school district for internet access. However, the township must be sure to comply with current telecommunication regulations.

Recommendations:

It is recommended the municipality examine all options regarding an internet service provider, including the local cable company.

At present, there is no internet policy. It is recommended the municipality develop an internet access policy, which should be reviewed by the township attorney prior to adoption.

Payroll

The team found some use of technology in payroll with the installation of a swipe card monitoring system which requires employees to swipe cards registering their daily work hours. According to township officials, the system was being used on an experimental basis and not

currently connected to the payroll computer in the finance office. This point is fully illustrated in the payroll section.

Recommendation:

It is recommended the township conclude its experimental review of this monitoring system and maximize the use of its existing technology by implementing this system on a mandatory basis in an effort to improve efficiency.

Recreation Department Registration Record Keeping

The recreation department's registration record keeping for recreational programs utilized by the township is manual. The applications are gathered together by program and filed. This point is fully illustrated in the parks and recreation section.

Recommendation:

It is recommended the township automate its records and information, especially program participation and fees.

DPW Fleet Maintenance

The division of public works utilizes a fleet maintenance computer program that maintains vehicle records. The computer program "crashed" and lost four months of information. Notwithstanding the information that was lost, it appears all work is not accounted for, as some vehicle repair information is kept in ledger books and not entered into the computer system. The upgrade of technology to track vehicle maintenance, work orders and inventory could enhance the efficiency of the unit. This point is reiterated in the DPW section.

Recommendation:

It is recommended the township ensure that all work is accounted for in the computer system and take all necessary precautions to properly "back-up" the computer system. The township may wish to consider an upgrade of its current system.

Traffic Bureau

When the traffic bureau needs to recreate a traffic accident, they use a drafting table and, on average, spend more than 20 hours detailing the incident. There are specialty graphic programs that the police department can use to reconstruct and print an accident drawing in approximately six hours. This point is fully illustrated in the police section.

Recommendation:

It is recommended the township consider purchasing the necessary equipment to automate the drafting functions of the traffic bureau. After the initial investment, the team feels the municipality will gain approximately \$7,526 in productivity enhancements.

Analysis

The team found each department relying on the expertise of its own employees for technology solutions. We found the DPW employing an individual for computer technology but giving the individual a light laborer title. We interviewed the individual and found his work and knowledge compatible to an information technology technician.

While this is a way to obtain technically skilled people for a lower wage technology, it is an inefficient use of employees. In the end, the municipality becomes a training ground for individuals lacking formal education and training in technology. The town runs the risk of these individuals making a costly mistake or after a few years, leaving for more lucrative positions elsewhere. According to the business administrator, the 1999 budget addresses this issue with the DPW light laborer being changed to a computer related job title.

The township is commended for its attempts to use employees in a more efficient manner.

The team feels the municipality has an opportunity to improve productivity and realize potential savings through office automation. Through a coordinated effort, the municipality could have a one-platform system allowing email throughout the township.

A universal, licensed office package would prevent the presence of separate departmental, personnel, and payroll databases all containing identical information. Currently, there is a duplication of data entry in the personnel, payroll department and other departments throughout the township.

A professional municipal business package on the network would allow online purchasing for all departments, including the library, instead of each department manually typing purchase orders and the purchasing agent reentering the data into the current purchasing system.

The team feels the municipality could reduce redundancy, staff positions and possibly even eliminate the payroll company by installing a network-based business package. However, we were unable to determine an actual savings since the municipality needs to perform a comprehensive work flow analysis with subsequent office automation recommendations for all departments.

We feel that an independent consultant and/or a director of technology should be hired since the team was unable to identify any current employee capable of doing this. There is a definite need for IT operations to be systematically coordinated in a manner to meet the technological needs of the entire township.

Recommendations:

In prior reports, the LGBR team has recommended municipalities seek to create a shared IT department with the school district as a method to reduce cost and increase buying

power. However, our review of West Orange suggests the need for a full-time IT director with education and empirical knowledge of office automation, workflow, and computer technology.

The township may want to hire an independent consultant specializing in the previously mentioned areas to develop a plan, and then hire a director for implementation.

It is therefore recommended the municipality establish an IT department, develop a technology plan, staff the office appropriately and assign and coordinate all technology operations, especially software and computer purchases, within the newly created department. This department would coordinate IT operations for all departments, including the library.

The team is unable to determine a final value added enhancement cost because office automation may result in staff reduction while capital outlay will be required to address issues we were able to identify in this report.

Initial Value Added Expense: \$60,000 + benefits

Upon completion and implementation of the technology plan, it is recommended the township consider merging IT operations with the school district's computer department for the creation of one joint IT department. While application of software may differ, the technology itself is the same for both entities.

It is also recommended the municipality consider formalizing the website committee as a technology committee, as there will be a continued need for such a committee after the website and Y2K work is completed.

INSURANCE

The Township of West Orange has been partially self-insured for its liability insurance for over 12 years. Prior to this time, commercial insurance carriers insured the township. During the municipal insurance crisis of the mid-1980's, the township wisely opted for a self-insured program.

The township regularly solicits proposals from commercial carriers and joint insurance funds to test the insurance market in an effort to obtain the best coverage at the lowest cost.

In 1999, the township switched from its self-insurance program to coverage with a commercial insurance carrier. The township is responsible for the first \$10,000. The commercial carrier is then responsible for additional claims and expenses. The commission will still operate in the same manner.

The township is taking advantage of today's soft insurance market and is receiving better coverage at the same approximate costs. The township will also receive enhanced risk

management and loss control services as the new carrier has many safety and training programs available.

The township is commended for its initiative to establish a self-insurance program and for its regular solicitation of new insurance proposals. Over the years, the commission's diligence has saved the township millions of dollars.

Organization

The Municipal Insurance Fund Commission was established by ordinance No. 823-86. The commission consists of three commissioners and a secretary. One commissioner must be a municipal official, while the other two must be council members. Commissioners are appointed by the mayor.

The tax collector currently serves as the municipal official and is also the chairman of the commission. The business administrator currently serves as the secretary to the commission and is entrusted with the daily operations of the commission. An annual salary of \$2,400 is paid to the secretary.

The commission meets once each month. At these meetings, claims are reviewed and either approved, denied or investigated further. Claims are approved for payment, as appropriate. Claims and accidents are also investigated from a risk management and safety standpoint. Prior to each meeting, accident investigation forms are completed by the appropriate department for each accident/claim. The township attorney also attends these meetings to advise the commissioners of related legal matters.

Financial

An Insurance Trust Fund has been established to operate the insurance commission, which pays insurance expenses. The township appropriates funds required to operate the self-insured program. The funding covers excess liability coverage for the worker's compensation fund and the property and casualty fund. Also funded is a claims fund to pay claims. The township's maximum claim exposure has been \$250,000.

The township's self-insured program resulted in over \$500,000 earned in interest on investments since the inception of the commission.

Claims Administration

Prior to 1999, a commercial vendor was contracted to operate as claims administrator for workers' compensation claims only. According to the contract, which specifies the expected services, the claims administrator was paid \$26,888 annually.

Safety Committee

While the commission reviews accidents and claims from a safety standpoint and accidents routinely are investigated by township officials, the township should establish a separate risk management and safety committee.

This committee would be comprised of department heads and other township officials and would focus its review of claims on safety and risk management issues and implement safety programs and initiatives accordingly. The new carrier should be able to lend its expertise and assist in the establishment of a safety committee.

Recommendation:

It is recommended the township establish a risk management safety committee to review claims from a safety perspective.

HEALTH INSURANCE

The township utilizes the State Health Benefits Program (SHBP) for its health insurance coverage. The SHBP is able to use its greater market share to achieve lower administrative costs. However, as a member, some of the rules and regulations of the program limit the township's ability to implement cost saving techniques. The current annual cost to the township for health coverage is approximately \$2.3 million.

Part-time Employees

Prior to 1996, any employee working at least 20 hours per week had to be given health benefit coverage. In 1996, all participating employers were required to adopt a resolution to designate the number of hours that part-time employees must work in a workweek to receive health benefit coverage and whether to "grandfather" existing employees who did not work the required hours.

This change provided employers an opportunity to reduce their health benefit cost. The township decided that, effective January 1, 1996, employees must work an average of 35 hours per week to obtain health benefit coverage. The township also decided to "grandfather" or continue coverage for those employees, hired prior to January 1, 1996, and working less than the designated 35 hours. The current cost to the township to "grandfather" these employees is approximately \$200,000 each year.

In addition, the township agreed to offer health benefit coverage for those retired employees who meet the requirements under the state statutes. The cost to the township to provide this coverage is approximately \$850,000.

Premium Co-Payment

Another cost factor involves the distribution of plan participation. Approximately 77% of the employees have other-than-single coverage as illustrated in the following chart:

Health Plan	Family	Married	Parent/Child	Single	Total
Aetna/US Healthcare	4	1	0	3	8
First Option	24	3	3	2	32
HMO Blue	0	2	0	1	3
NJ Plus	72	24	7	30	133
NYLCARE	0	0	1	0	1
Oxford Health Plan	5	0	1	0	6
Prudential Healthcare	8	3	0	1	12
BC/BS Traditional	63	53	6	48	170
Totals	176	86	18	85	365
Total Other-Than-Single	280				
Percentage Other-Than-Single	77%				

Although the current rules and regulations prohibit the township from instituting a premium-sharing concept, it could institute a co-pay for dependent coverage. Currently, the township pays the entire premium, regardless of type of coverage. If employees paid a 20% co-pay for coverage of dependents, the township could decrease annual costs approximately \$163,000, based on current rates.

Recommendations:

It is recommended the township negotiate to implement a co-payment of 20% of the premium for health coverage for dependents.

Potential Cost Savings: \$163,000

Managed Care Programs

As the chart below illustrates, about half of the employees participate in the Blue Cross/Blue Shield Traditional program. Unfortunately, it is also the most expensive plan. If 12% of the employees (approximately 20 employees) were to switch plans from the traditional indemnity program to the NJ Plus program, the township would save approximately \$28,596 annually. The greater the number of employees who switch from the traditional indemnity program, the greater the savings.

Blue Cross/Blue Shield Traditional	47%
NEW JERSEY PLUS	36%
First Option	9%
Prudential Healthcare	3%
Aetna/US Healthcare	2%
Oxford Health Plan	2%
HMO Blue	1%
NYLCARE	0%
Total	100%

Other cost-saving mechanisms, such as a premium-sharing concept for those employees who elect coverage in a higher price plan, or a provision to charge a higher deductible for the traditional indemnity program than prescribed in statute, would require legislation.

Recommendation:

It is recommended the township attempt to promote managed care programs through health fairs.

Potential Cost Savings: \$28,596

Dental

The township currently pays the full cost for this coverage and provides dental coverage for all full-time and part-time (employed prior to 1/1/96) employees through Delta Dental. The approximate annual cost is \$240,000.

The township has successfully negotiated with all bargaining units for 50% premium co-payment for dental coverage for new hires. Based upon current rates, the township's 50% premium co-payment for dental coverage will eventually save the township approximately \$120,000.

Prescription

The prescription plan provides for a payment of \$3 for generic drugs and \$6 for non-generic drugs by covered employees. As part of the negotiated agreement, the township pays the entire cost of the premium, which ranges from \$372 to \$994 per employee. The approximate cost for calendar year 1997 was \$290,000.

The township has successfully negotiated with all bargaining units for 50% premium co-payment for prescription coverage for new hires. Based upon current rates, the 50% premium for prescription benefits will eventually save the township approximately \$145,000.

Another option would be to increase the payments to \$5 for generic drugs and \$10 for non-generic drugs. This may save the township approximately 7% of the premium or \$20,000.

Recommendations:

The township is commended for successfully negotiating the 50% co-payment for dental and prescription premiums for new hires. It is also recommended the township negotiate an increase in the prescription payments from \$3 to \$5 for generic drugs and from \$6 to \$10 for non-generic drugs.

Potential Cost Savings: \$20,000

LEGAL

The township retains a township attorney, an assistant township attorney, a planning board attorney, a zoning board attorney, a public advocate, a rent leveling board attorney, a prosecutor and a public defender. The planning board attorney, zoning board attorney, rent leveling board attorney, and public advocates are addressed in the planning and zoning sections.

Township Attorney

According to the municipal codebook chapter 2-9.1, the township attorney serves as the head of the department of law, the legal advisor to the council on all matters of township business, and also supervises and directs, the work of additional attorneys, hired by council for special or regular employment. A resolution indicating the retainer amount is passed each year. A corresponding contract or agreement is not executed.

The township attorney's annual retainer includes attendance at meetings of the governing body and routine work. In 1997, the retainer amount was \$61,811 and was paid directly to the attorney through the township's payroll account enabling the attorney to receive health, pension, social security and Medicare benefits.

Additional legal work such as matters of litigation are billed at an hourly rate of \$80. The township has a standard hourly rate of \$80 for all attorneys hired by the township including special counsel.

The township is commended for negotiating a competitive hourly rate for legal work.

The township attorney is also involved with developers' agreements, tax appeals, matters of litigation, labor contract negotiations and personnel matters. Most resolutions and routine ordinances and agreements are drawn up by the business administrator and township clerk and subsequently reviewed by the township attorney before adoption. The township attorney drafts ordinances and agreements of a technical nature.

Assistant Township Attorney

The assistant attorney, according to the municipal codebook chapter 2-9.3, attends meetings in the absence of the township attorney and is assigned the foreclosure of tax title liens, the transfer of title of township properties, and other duties assigned by the mayor, council or township attorney. In 1997, the retainer amount paid to the assistant attorney was \$36,000.

Prosecutor and Public Defender

In 1997, the prosecutor received an annual retainer of \$19,029 to represent the State of New Jersey in prosecuting municipal criminal and traffic offenses. Like the township attorney, the prosecutor was paid through the payroll account receiving health, pension, social security and Medicare benefits worth \$5,339.

In 1997, the public defender received \$11,727.

Reorganization

The township's law department has changed significantly since 1997. The previous township attorney and assistant township attorney, who were both hired in 1978, have been replaced.

The township has also restructured the salary and benefits program of the department. Previously, the township attorneys had been salaried township employees receiving health, pension, social security and Medicare benefits. As of September, 1998, the township has eliminated the benefits for its attorneys, except for the prosecutor who is grandfathered with

benefits. The township does not plan to offer health benefits to the next prosecutor. Township attorneys are also currently paid by voucher rather than through the township payroll.

In 1996, the salaries were \$61,811 for the township attorney, \$40,433 for the first assistant township attorney, and \$7,625 for the assistant township attorney. Currently, the salaries have been reduced to \$61,000 for the township attorney, and \$36,000 for the assistant township attorney. In 1997, an assistant attorney position was eliminated.

Other expenses were reduced by approximately \$17,000. Line items such as postage, subscriptions, mileage, and supplies were eliminated, while other line items such as conferences and copier costs were significantly reduced. Currently, the other expense budget is only \$5,200.

The law department was analyzed by the mayor's transition team in June, 1998. The transition team's report stated that in addition to the salary of the two primary attorneys, they also received \$47,499 for litigation plus benefits.

The report recommended that the township should not pay benefits to the attorneys because they all have private practices. The transition team pondered whether to make the department of law an in-house operation. While it is possible that an in-house legal department could be cost-effective for West Orange due to its size and legal activity, the township would have to offset approximately \$30,000 in administrative costs and benefits, which were recently removed from the budget.

The township is commended for restructuring the law department especially eliminating the benefits of its attorneys. The township should continue to monitor its legal costs and restructure the department in a cost-effective manner while still receiving the necessary quality of legal services.

Litigation Funds

The township has three litigation funds: the township council litigation fund, the township attorney litigation fund and the insurance litigation fund. The transition team has recommended a single litigation fund with direct oversight by the mayor, council or another appointed official.

LGBR agrees that reducing the litigation funds will ensure greater accountability and will allow the township to track its legal costs more easily, which would be needed to properly determine whether an in-house legal department would be cost-effective for the township.

Recommendation:

It is recommended the township reduce the number of litigation funds. The township should have a general litigation fund and an insurance fund.

Budget Analysis

Below is a chart of budgeted legal expenses, which was prepared by the mayor's transition team. As reflected in the chart, the township's legal budget peaked in 1993 at approximately \$395,000.

	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>
Legal Budget	\$247,457	\$271,438	\$313,016	\$332,828	\$394,919

The legal budget consists of two main expenditures: the retainer amount, which was previously known as salaries and wages, and the amount for the litigation funds. Over \$100,000 is spent on the retainer or salaries and approximately \$135,000 is budgeted for the litigation funds.

Some municipalities have had success capping legal expenses by restructuring the township attorney's agreement to include only a flat retainer amount covering most matters including attending council meetings and a normal level of litigation. Only unusually large amounts of litigation work would not be included in the retainer. The township would need to track the amount of litigation over a period of three to five years.

Recommendation:

It is recommended the township consider restructuring the township attorney's agreement to include only a flat retainer amount covering nearly all legal matters.

Contract Specifications

The resolution appointing the township attorney did not outline the retainer amount or the duties, and did not include a "not to exceed" clause. Nor was there a corresponding agreement drawn up.

Recommendation:

It is recommended that, consistent with the requirements of N.J.S.A. 40A:11-14 of the Local Public Contracts Law, professional contracts be executed with all legal staff. Contracts should clearly delineate expected duties and responsibilities and fees for service. This will help to allay questions and confusion, as well as to easily identify the provisions of each contract.

POLICE

West Orange is the 5th largest community in Essex County based on population and the 3rd largest based on area. Maplewood, East Orange, Orange, Livingston, Essex Fells, Roseland, South Orange, Montclair and Verona surround the community. It is categorized as a suburban community by the Uniform Crime Report (UCR). According to the chief of police, West Orange compares to Belleville, Montclair and Bloomfield based on population and other demographic information. Below is a crime statistic chart for surrounding and comparable municipalities.

	Crime Index per 1,000		Square
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Municipality	Inhabitants for 1997	Population	Miles
Belleville	38.6	32,849	3.3
Bloomfield	40.4	43,330	5.4
East Orange	81.6	70,534	4.0
Essex Fells	13.9	2,013	1.3
Livingston	34.8	26,181	14.0
Maplewood	46.6	20,765	4.0
Montclair	52.0	36,313	6.2
Orange	106.5	28,877	2.2
Roseland	19.2	5,220	3.58
South Orange	54.8	16,229	2.7
Verona	17.9	13,044	2.8
West Orange	42.7	39,495	12.10
County of Essex	76.3	755,089	127.44

In 1997, the West Orange crime rate per 1,000 residents was 42.7, mostly in the categories of burglary, stolen autos, larceny and domestic violence. Both violent and non-violent crimes are often a result of the surrounding urban communities, which penetrate the suburban community. The average crime rate for the State of New Jersey is 40.9.

Overview

The West Orange law enforcement environment changed dramatically in the 1990s as there was a great deal of controversy within the township centered around the two former chiefs of police. The last two chiefs of police were convicted of crimes and terminated. In fact, problems with the last chief and his father, who was the mayor at the time, prompted requests for a review of West Orange by LGBR.

During these troubled times, police administration gave little or no direction to the subordinates, and, as a result, the department regressed in some areas, such as day-to-day operations, policy making and financial management. Morale within the police department also suffered significantly during these times.

The new chief, appointed in 1997, has improved the law enforcement environment by implementing policies that exemplify leadership qualities. He is committed to nurturing the public trust by holding himself accountable to the highest standards of professionalism and ethics. With a proactive “hands on” management style which is seldom found in today's policing, the chief has empowered his members to resolve problems by creating an environment that encourages solutions which address the needs of the community.

According to township officials, the police department is progressing under the present administration and has made many steps “in the right direction.”

While many things have improved under the new administration, there are some areas for improvement which can increase the effectiveness, efficiency and performance of the officers and can further improve the law enforcement environment. In general, the West Orange police

department possesses the structure to perform the essential functions efficiently and effectively given the fiscal restraints in today's age to do more with less.

The team commends the present administration for their work in moving the police department in a progressive and proactive direction.

The team's study consisted of numerous site visits by the team, including in-depth interviews with the police administration, unit supervisors and other selected police and civilian personnel. In general, the team viewed all police operations. On some occasions, the team toured with the uniformed personnel. Workload and other department data were requested and provided by the department staff in a timely fashion.

DCJ Report

In May, 1998, the New Jersey Division of Criminal Justice (DCJ) Law Enforcement Standards Division conducted an administrative review of the department at the request of the mayor and chief of police. According to police administration, approximately 85% of the recommendations have been implemented. The department is currently attempting to complete other recommendations.

During our review, the chief of police was implementing the accreditation recommendation and assigned a lieutenant to complete the accreditation process with the Commission on Accreditation for Law Enforcement Agencies, Inc. (C.A.L.E.A) of Fairfax, Virginia. The approximate cost is \$10,000, which should be offset by a 5% to 10% reduction on law enforcement professional liability insurance premiums, once accreditation is achieved.

The township and the police administration are commended for their accreditation efforts.

Financial

In 1997, the total salary and benefit cost for the entire department was \$8,737,865 including approximately \$7,421,888 for sworn officers, \$696,157 for non-uniformed personnel excluding dispatchers, and \$619,820 for dispatchers. Other expenses for the entire department were approximately \$318,716. The total cost for the entire department was \$9,056,581. The police budget accounts for approximately 19% of the municipal budget.

Staffing

Municipal codebook chapter 2-14.3 addresses the composition of the police department. This section states that the department shall consist of a police director, police chief, one deputy police chief, a number of captains not to exceed five, a number of lieutenants not to exceed 10, a number of sergeants not to exceed 20, and a number of police officers not to exceed 66.

In 1997, actual police department staff consisted of a police director, a chief of police, five captains, 10 lieutenants, 20 sergeants and 64 police officers assigned to general patrol duties,

detectives and the administration, totaling 101 sworn personnel. This staffing shows a ratio of one superior officer for every two patrolmen. There were also 55 civilian employees including crossing guards, dispatchers and clerical personnel.

Approximately 59 officers are assigned to patrol duties, while 44 officers are assigned to specialized units and police administration. Specialized units include the traffic unit and K-9 unit.

The police director, who was promoted from lieutenant, has not actively served as the director of the department since July, 1998. The director has been on loan to other police agencies within the county. In his absence, the chief of police has coordinated administrative activities.

The DCJ report states that it was not necessary to set forth the number of appointments to each rank by ordinance. This could be controlled by the annual budget and in the departmental rules and regulations. LGBR concurs with this recommendation as it allows the township flexibility to reorganize the department as needed.

Organization/Operations

The police department is divided into three divisions: operations, criminal investigations and staff services.

While the team was conducting their review, the chief had already instituted some administrative changes and assignments from the recommendations of the Division of Criminal Justice, such as requiring dispatcher uniforms, adding detective bureau personnel, and disbanding the Tactical and Containment Team.

Of the five captains, there is one captain assigned to the detective bureau, two captains assigned to the patrol divisions, one captain assigned to the administration, and one captain assigned to the traffic unit.

Of the ten lieutenants, there are two assigned to the detective and juvenile bureaus, six are assigned as tour and desk lieutenants, one is assigned to special operations and projects, and one is assigned to internal affairs.

The 20 sergeants are assigned to various tasks dealing with general patrol, the traffic unit, the detective and juvenile bureaus, the property and evidence room and other administrative details throughout the department.

Work Schedule

The police officers are presently working a 4-2-work schedule in the patrol division and a 5-2 for specialized units and the police administration. The patrol officers work an 8.25-hour day totaling 2,055 hours a year. With this work schedule, the general patrol officers have to give back or work five mandatory training dates for firearms, domestic violence, pursuit driving and use of force training. Each training session is for approximately five hours.

After training requirements are met, there is still a deficit of 25 hours per year, as the usual amount of hours for a year should consist of 2,080 hours.

Proposed Work Schedule

Switching to a 5-2 schedule would increase the annual work hours, before training and leave time is deducted, to 2,080. This would provide a 25-hour productivity enhancement for each of the 59 patrol officers totaling 1,475 hours. Using the average patrolman's hourly rate of \$29, the productivity enhancement is worth \$42,775.

When the 4-2 schedule was implemented in the patrol division, the specialized units and the police administration working the 5-2 schedule received 12 additional days leave during the year. Since the patrol division reports to work fewer times under the 4-2 schedule and does not work 2,080 hours, the specialized units and police administration were compensated with 12 additional leave days to make work schedules equitable.

Switching the patrol schedule back to a 5-2 schedule with 2,080 annual hours would eliminate the need for the 12 additional leave days to specialized units and police administration. The 12 days could be eliminated. This would provide a productivity enhancement to the township.

The 12-day productivity enhancement equals 96 hours per officer and totals 4,224 hours for the 44 specialized and administrative officers. The productivity enhancement is worth \$122,496, using the average patrolman's hourly rate of \$29.

Recommendation:

It is recommended the township negotiate for all police personnel to work a schedule providing 2,080 annual work hours, such as the 5-2. The change in the work schedule will provide productivity enhancements of 5,699 hours, worth approximately \$165,271.

Potential Productivity Enhancement: 5,699 hours or \$165,271

Computer Aided Dispatch (CAD) System

The team observed that the Computer Aided Dispatch (CAD) system was not capturing all pertinent information. For example, a detective or administrative officer would respond as the backup unit to general patrol officers and these times for the backup units were not properly recorded, and therefore were not recognized by CAD. The computer program was only capturing the consumed time of the first assigned police officer on the scene. All police officers on the scene must be computed properly to build the work performance factors of the police officers.

The DCJ report also observed CAD problems related to administrative details.

The police administration was informed of the inconsistencies with the CAD and has begun to revise the CAD system to account for all down or consumed time of each police officer in the field.

We believe that the department can decrease the patrol calls for service and allow for more unobligated time for the patrol division if the recommendations in the tele-service and the administration are implemented. The tele-service program is described under a separate section of this report.

A reduction in patrol calls for service will increase the time available for routine patrol, and allow the patrol to accommodate some growth in calls for service without additional staff.

The median travel time for all calls for service was four minutes. This is an acceptable time given the geography of West Orange, the placement of patrol zones and the staffing levels of the patrol function.

Recommendation:

It is recommended the police administration ensure that the dispatchers operate the CAD system properly accounting for all police officer time, especially when backup units are assisting at a call for service.

Beat Patrol Analysis

The team performed a workload analysis to determine the minimum number of police officers needed for patrol duties. There are six police officers on the midnight shift, seven police officers on the day shift and eight officers on the evening shifts.

Using time and attendance records provided by the police department, the team computed the officer availability, after training and leave, to be 1,634 hours per year. West Orange's officer availability is about average for NJ police departments.

In 1997, there were approximately 40,065 calls for service. While there are approximately 70 officers, including supervisors and traffic unit, in patrol functions, there are 59 officers assigned to the general patrol duties which are to be included in a beat patrol analysis. A beat patrol analysis does not include any fixed patrols such as walking posts, bicycle beats, park security, direct patrols, motorcycle and specialized traffic personnel.

The International Association of Chiefs of Police (IACP) has created a formula that is used to measure the average amount of time spent on each call for service. According to the IACP formula, an average of 45 minutes is utilized for each call for service. The chart below shows the beat patrol analysis calculations. The formula is the number of calls for service times the average time per call multiplied by a factor of three and divided by the number of available annual hours per officer which equals the average number of patrolmen needed. Multiplying by the factor of three is the adjustment for routine patrolling.

$$\begin{array}{ccccccc} \text{Calls For Service} & & \text{Average Consumed Time} & & \text{Officer Availability} & & \\ 40,065 & \times & 0.75 \text{ hour} & \times 3 \div & 1,634 & = & 55.2 \end{array}$$

Using the IACP average call time, the beat patrol analysis shows that the township needs approximately 56 officers. While the current staffing level of 59 patrol officers is above the beat patrol analysis figures, the team believes that reducing the staffing level is not appropriate.

Through field operations, the team found that the patrol units were actually going from call to call with little unobligated time for high visibility patrol.

While the patrol staffing level appears to be appropriate, patrolmen do not have much unobligated time. In order to increase unobligated patrol time for police patrol officers, LGBR concurs with the DCJ report that additional patrol officers could be added. LGBR believes that the recent reassignment of five administrative police officers to general patrol duties, which brings the total number of patrol officers to 64, should add at least one additional officer per shift and would increase the patrol officers' unobligated time to an acceptable level.

Accident/Incident Reporting

In 1997, the township received over 40,000 calls for service. Each of these calls required some degree of accident or incident reporting. Some of these incidents can be quite time consuming to process. The International Chiefs of Police Association estimates each call for service to average approximately 45 minutes in length.

While, many calls involve emergency situations, which require a sworn police officer to respond and investigate, there are also many non-emergency situations, such as after-the-fact vandalism, which may not require the involvement of a sworn officer.

In an effort to reduce the time spent by officers processing reports for non-emergencies, the township has implemented a process in which citizens can submit police reports on-line through the website for the police department. In its first few months, approximately 10 reports were processed on-line.

The township may want to consider another accident and incident reporting alternative, which uses either civilian personnel or an automated telephone system. The system known as tele-service is used for non-emergency police calls.

The tele-service procedure is implemented either through the dispatchers' recording the reports, or through an audix system for the victims of certain non-emergency incidents over the telephone.

Some communities that have implemented tele-service systems have expanded the program to their patrol officers submitting after-the-fact crime incidents or administrative reports. One community has reported that 80% of their police reports are now on the tele-service system.

On-line reporting and tele-service are tools which can free patrol officers to do proactive police functions such as traffic enforcement, parking meter enforcement, and unobligated patrolling.

According to the police administration, approximately 5% to 10% of the calls for service (2,000 to 4,000 calls) could be processed on-line or with tele-service. This corresponds to a

productivity enhancement of 1,500 to 3,000 hours, worth approximately \$43,500 to \$87,000. The productivity enhancement of 1,500 to 3,000 hours also equates to a staffing increase of one to two additional officers.

Implementing these programs may also be more efficient for citizens, as they would not be required to wait for a patrol unit to come to headquarters or their home.

For tele-service to be effective, it should include the following:

- A clear specification of types of calls eligible for the tele-service.
- The ability of the citizen to choose whether or not to process the call in this manner.
- Effectively training dispatchers to properly screen the calls.
- Ensuring phoned-in reports are reviewed for accuracy and providing patrol shifts with information on incidents occurring within their area of responsibility.
- Ensuring the detective bureau personnel follow-up and contact the victims on all cases.

Recommendation:

The township is commended for implementing the on-line reporting system. It is recommended the township consider implementing a tele-service program for incident reporting. The township should also actively promote these programs throughout the community.

Productivity Enhancement: \$43,500 - \$87,000

Patrol

Approximately 70% of the sworn officers are assigned to patrol functions. The other 30% work in police administration, the detective bureau, or specialized units. The team observed, while reviewing the police organizational structure and staffing, that five police officers were presently working in areas where civilians could be utilized. The police administration then initiated a plan to restructure its department.

Two police officers from the records bureau were replaced by a civilian supervisor from the data processing section. Two sergeants and one uniformed police officer from the police administration were reassigned to general supervisory patrol functions from police administration. Civilian personnel from other departments were then reassigned into the police administration. In fact, this restructuring was one of the key points to the mayor's 1999 budget.

The team commends the chief for his efforts in restructuring the department placing more police officers on patrol assignment by replacing them with civilian personnel.

Under the present table of organization, each day and evening shift is staffed by two lieutenants. One serves as a tour commander and the other serves as the desk officer for dispatch. The result is that subordinates are receiving direction from two officers of the same rank.

The one extra lieutenant per shift would be more effective as an assistant to the patrol captain, aiding with day-to-day operations and the community policing programs. Sergeants should be

assigned to supervise the desk operations and civilian dispatchers, and be available to handle residents visiting headquarters.

Recommendation:

It is recommended the township consider restructuring the command of the patrol division. It is recommended there be one lieutenant as a tour commander in charge of the watch, and one sergeant working the desk to supervise central dispatch and serve as a road supervisor.

Traffic Division

The traffic bureau consists of a captain, a sergeant, two patrol officers and a civilian assistant. This unit is responsible for the traffic planning, analysis, and monitoring, and coordination of traffic activities. Since there is a close relationship between traffic enforcement and all law enforcement activities, the responsibilities for enforcing traffic laws and regulations must be shared by all uniformed personnel.

The team was informed that the two traffic officers were working 6:30 a.m. to 2:30 p.m., while the supervisors were working 8:00 a.m. to 4:00 p.m. Many traffic problems occur during rush hour traffic from 6:00 a.m. to 9:00 am and again from 4:00 p.m. to 6:30 p.m. Thus, the work schedule is not conducive to targeting both rush hour periods.

While the traffic officers have the ability to target the morning rush hour, this rarely occurs because they are required to do administrative departmental duties, such as covering the morning phones for crossing guards who call in sick. It is suggested such administrative duties be handled by civilian personnel, such as the dispatchers.

It is also suggested that a flexible schedule be implemented for the traffic unit to provide the flexibility to do traffic work at targeted times such as rush hours. If the two traffic officers are given staggered shifts, for example, the supervising officer should work a schedule allowing daily meetings with both officers. The township may want to consider occasional weekend coverage to address weekend traffic problems.

Furthermore, the team does not feel that a commanding officer such as a captain should be assigned to these staffing responsibilities. A first-line supervisor such as a sergeant can provide adequate supervision and assume the required responsibilities for a proactive traffic program. DCJ also believed a captain was not needed to head this bureau.

Recommendations:

It is recommended the township consider restructuring the traffic unit by eliminating the captain as head of the traffic unit and replacing the captain with a sergeant. It is also recommended the township consider implementing a flexible work schedule for the traffic unit.

In the traffic bureau, four employees share a Pentium-75 computer and still use typewriters for most of their work. When these individuals need to re-create a traffic accident, they use a drafting table and, on average, spend more than 20 hours detailing the incident. In 1997, the

traffic bureau re-created approximately 18 traffic accidents at a cost of approximately \$10,170 in personnel time. There are specialty graphic programs that the police department can use to reconstruct and print an accident drawing in approximately six hours. However, the department cannot utilize such a program because of the age of the computer. The cost of a computer, printer and drafting program is approximately \$7,000 - \$10,000.

Recommendation:

It is recommended the township consider purchasing the necessary equipment to automate the drafting functions of the traffic bureau. After the initial investment, the team feels the municipality will gain approximately \$7,526 in productivity enhancements.

Productivity Enhancement: \$7,526
One-time Value Added Expense: \$7,000 - \$10,000

Detective and Juvenile Bureaus

A captain commands both the juvenile and detective bureaus. The primary responsibilities of the bureaus are to conduct follow-up investigations of reported crimes and the initiation of investigations of major crimes.

In 1997, the detective bureau handled approximately 839 cases and cleared 52.5%, which is above the state average of 21% and county average of 19%. Twenty-two point three percent of the cleared cases were through arrest.

The detective bureau structure is unique to the community. Detectives are assigned specific assignments daily, while maintaining and monitoring specific crime trends within their community. This method of organizing the bureau appears to be quite effective.

The juvenile bureau detectives have created an informational network between the schools and the youth of the community that is an invaluable tool to the community. Both units have a finger on the pulse of the township.

The township is commended for providing an effective command structure to these bureaus and for achieving an excellent clearance rate.

Police Director

According to the municipal codebook, the head of the police department shall be the police director. The director shall promulgate, revise and enforce a "Manual of Police Discipline, Practices and Procedures." The director also administers the finances of the police department. The chief of police shall be responsible for the daily police work to ensure that public peace is preserved and that all laws and ordinances are properly enforced.

The police director, who was formerly a lieutenant, has not actively served as the director of the department since July, 1998. The director has been on loan to other police agencies within the county. In his absence, the chief of police has coordinated administrative activities. The

department has been functioning well in the police director's absence. The police director's position appears to be redundant.

In 1999, the township council decided not to fill the police director position. N.J.S.A. 40A:14-118, references the "appropriate authority," as designated by the governing body, shall promulgate and adopt rules and regulations for the governing of the police force.

The township is commended for streamlining the police hierarchy and not filling the police director position.

Recommendation:

It is recommended that the township attorney review the municipal code book for proper compliance with N.J.S.A. 40A:14-118 and the proper language regarding the designation of an "appropriate authority."

Records Bureau

The records bureau is staffed with two sworn officers and two civilian clerks and is supervised by a captain who is also responsible for traffic, administration and communications functions.

The records functions performed by sworn officers could be done by civilian personnel. The township has recently reassigned sworn officers from records to patrol functions and replaced them with civilian staff.

Under the new civilian supervisor, one of the first tasks is to research and develop a fee schedule comparable to the one established by the Division of Public Law and Safety at NJ State Police Headquarters in West Trenton. Townships are allowed to set fees for these types of reports as long as they are reasonable. While the team was conducting their review, a copy of a fee schedule was provided to the police administration for review and adoption by the governing body.

The team commends the police administration for recognizing that these duties should be done by civilians and implementing a restructuring of the records management function.

Reorganization/Restructuring

The police department has changed dramatically over the last few years. In the past year there have also been significant changes. In fact, the department has changed significantly since we concluded our fieldwork. A number of changes were made after DCJ's review.

LGBR recommends the following police organization and staffing structure. Most of these personnel changes have been discussed in their appropriate sections. Some of these changes may have already been implemented by the township.

	1997	Proposed
Police Director	1	0
Chief of Police	1	1
Deputy Chief	1	1

Captains	5	3
Lieutenants	10	10
Sergeants	20	23
Police Officers	64	64
Total	102	102

The proposed reorganization involves the elimination of the police director position, the reduction of two captains, and the creation of three sergeant positions. The reorganization will produce net savings of \$118,160 as the chart below indicates.

	Net Change	Savings	Costs	Net Savings
Police Director	-1	\$105,000		
Captains	-2	\$22,064		
Sergeants	3		\$8,904	
		\$127,064	\$8,904	\$118,160

At least one additional officer will be made available on all shifts seven days per week through the implementation of the recommendations, including reassigning sworn officers from administrative functions to patrol functions, implementing tele-service and bolstering on-line accident/incident reporting, implementing the proposed reorganization, and implementing a parking enforcement officer program, which is discussed later in this police section.

Recommendation:

It is recommended the governing body consider implementing the above table of organization, which would produce a savings of \$118,160.

Cost Savings: \$118,160

Outside Employment

Police officers who do police work for employers other than the municipality, such as directing traffic at a construction site, present unique issues to a municipal government. In 1997 and 1998, West Orange police officers were paid directly by the private contractors or vendors and not through the township payrolls, which according to the Detectives' Act of 1933 is prohibited.

Under this practice, the township was not compensated for the administrative time spent arranging the assignments for the liability exposures to the township when a township officer is acting in an official capacity while on a private job. Municipalities are permitted to charge the contractor for administrative and fringe benefits and retain these revenues.

Effective January 1, 1999, outside employment of police is handled as a transaction between the township and the contractor with payments processed through the township payroll enabling the township to charge an administrative fee to the vendor. The township has implemented an administrative fee of \$2 per hour.

In 1998, police officers worked 19,343 hours of outside employment. Based on the township's fee of \$2 an hour, the township should receive \$38,686 in annual revenue.

The township is commended for implementing these revisions to the outside employment of police and increasing revenues.

Website

The West Orange police department has its own website with its own domain providing information on its history, mission, contacts, community policing and other programs, and safety tips. On-line reporting of incidents is operational and the police blotter will soon be included on the website. The website, which has had over 13,000 "hits," can be reached at <http://www.westorangepolice.org>.

The township is commended for maintaining a website and using today's technology to disseminate police information to the public.

Grants

Over the past three years, the police department has secured over \$1,000,000 in police-related federal and state grants. The latest grant was to replace 20% of the bulletproof vests each year. Over a five-year period, all police department personnel will receive new vests.

The township is commended for its efforts in securing the additional funding sources.

Domestic Violence Response Team

The police administration implemented a team of township volunteers to assist victims involved with crimes. The team, known as the Domestic Violence Response Team (DVRT), is a community outreach program for the prevention of domestic violence. This program enables professional volunteers to assist victims in their own homes at the time of the event. The township solicited professional volunteer personnel to aid crime victims who are traumatized after a crime.

The police department provided background investigations, training and telephone pagers for this program.

In 1998, police and the DVRT responded to 353 domestic violence calls. It is estimated the DVRT spends approximately 120 minutes on each call counseling and helping victims. By having the DVRT handle victim counseling, police officers are allowed to concentrate on the police side of domestic violence, rather than the psychological side. Thus, the DVRT, aside from providing a valuable service to domestic violence victims, also provides a productivity

enhancement to the police department. Using the average patrolman salary of \$29 per hour, the DVRT provided a productivity enhancement of 704 hours, worth \$20,474 including supervisory personnel.

This program provides not only a productivity enhancement, but also a compassionate approach toward victims of crimes.

The township is commended for implementing this valuable program within the community.

Alarms

The police department presently issues warnings or summonses to residents violating the alarm ordinance. The summons, which is heard in municipal court, creates court overtime as police officers must appear to testify in court when a warning and any subsequent summonses are issued.

Handling false alarm calls administratively rather than judicially could reduce court overtime. The township can adopt an amendment to the present ordinance where N.J.S.A. 2A:58-10 et. seq. would cover the action involving the alarm activity. This statute gives the authority to enforce collections for any penalty imposed by any statute. A copy of a sample ordinance was provided to the police administration for their review and the township's legal opinion.

By handling alarm matters administratively by the police department, court overtime costs will be reduced and a productivity enhancement will also be realized.

Many municipalities have established registration fees for new alarms to offset the clerical time to process alarm information for those citizens with an alarm. Citizens with existing alarms that are not registered should be encouraged to register prior to the fee taking effect.

Generally, the purpose of false alarm ordinances is not to generate funds for the municipality, but to reduce the false alarm calls that divert resources. In 1998, there were 5,100 false alarms. These calls require at least a two officers' response. Conservatively estimating that it takes 20 minutes for both officers to clear the call, these calls result in 3,400 hours a year of lost time.

Recommendation:

It is recommended that the township explore the feasibility of handling alarm violations administratively rather than judicially, thereby reducing overtime. It is also recommended that the township establish a fee for alarm registration of each and every alarm within the community. A 50% reduction of false calls would result in a productivity enhancement of \$49,300.

Productivity Enhancement: \$49,300

Towing

During 1997, the police department authorized 1,011 vehicles to be towed from the highway for health, safety and welfare issues. West Orange has a towing ordinance and receives a \$6 administrative fee for towing services.

The township should consider increasing the administrative fee to \$15 to cover the time spent by officers, dispatchers and other township staff related to towing calls. Based on the 1997 towing figures, the township would receive an additional \$9 on each of the 1,011 vehicle tows, or \$9,099 in revenues.

Recommendation:

It is recommended the township consider revising the existing towing ordinance and increasing the administrative fee.

Revenue Enhancement: \$9,099

Sick Time

The police department has an internal memorandum from the chief of police of 1970 regarding the “burning” of sick time for the rank and file personnel. According to this memo, the police officers with more than 24 years of service are allowed to use the sick time instead of accrued time, thus allowing them to carry other accrued time from year to year for increased retirement payouts.

This practice allows for some enormous final payout benefits for these retiring or resigning police officers. If the six most senior police officers retired at the end of 1999, the township could owe over \$1,000,000.

Qualifying officers are permitted to “burn” sick time provided it does not create overtime. This practice benefits administrative officers and is disadvantageous to patrolmen, thus creating some morale problems.

Recommendation:

It is recommended the township ends its practice of "burning" sick time and rescind the memo.

Citizen Police Academy

In 1999, the West Orange Police Department implemented a program to serve the community by establishing the citizens police academy. The program is a spin-off to community-oriented policing programs and its mission is to provide accurate information about police work to the public and dispel fears and misconceptions about police work. The township is the second Essex County community to offer such a program, as Newark completed its academy several weeks prior to the start of West Orange’s academy.

Citizens participating in the academy are given an opportunity to meet those officers who protect and serve the township. Participants are taught the basics of community policing, crime

reporting, patrol tactics, pursuit policies, constitutional law, the use of force, search and seizure arrests and the complexities of criminal and narcotics investigations.

The academy consists of 10 sessions and then a graduation. Each graduating citizen receives a certificate of participation. The local Policemen's Benevolent Association (PBA) has volunteered to pay for such items as binders, notebooks and other items necessary for the implementation of the program. The team feels this program creates a stronger bond between the police and the citizens.

The township, the police department and the PBA are commended for implementing this program.

TACT Unit

In 1997, the police director formed the Tactical and Containment Team (TACT), a special weapons unit with 21 members, who have primary responsibilities elsewhere in the department, but train together at least once a month.

This program requires extensive training and an extensive amount of ammunition for training. There are county and state agencies with more expertise and resources to provide these special services to the township, if necessary. Due to the dangerous nature of the TACT unit, there may also be increased liability insurance costs as a result of this program.

The team concurred with the DCJ report which questioned the need for this unit and believed it would be more appropriate for these services to be provided by a county, state or regional unit.

The chief of police has discontinued the TACT training program and had begun to disband the program and sell or trade the equipment.

The township is commended for disbanding this costly specialized program.

Dispatchers

The township employs six full-time dispatchers and five part-time dispatchers. In 1997, the salary and benefit cost was approximately \$342,400.

The dispatch center is located on the ground floor of the law enforcement building and can be viewed by the public through a large window in the lobby. Dispatchers, at the time of our review, did not have a dress code. LGBR observed dispatchers wearing blue jeans and T-shirts. DCJ also observed this and recommended a uniform or dress code for dispatchers.

On occasion, dispatchers must service the citizens at the window. The citizens do not know who they are dealing with as these individuals are wearing regular street clothes. LGBR concurs with DCJ that a dress code or uniforms are needed for dispatchers.

There are some dispatchers working seven-hour shifts and others working eight-hour shifts. These shift differentials are causing managerial concerns regarding relief factors. Sometimes a

sworn police officer, and sometimes a ranking supervisor, has to respond to the dispatch area to relieve these seven-hour employees. Dispatchers should be on similar schedules and shifts.

The chief of police recently addressed both issues regarding the dispatchers.

The team commends the police administration for recognizing and addressing these issues.

Crossing Guards

There are 38 crossing guards assigned to assist the police department. Crossing guards hired prior to 1996 receive health benefits. There are approximately 26 guards receiving health benefits.

Each guard works four hours per day during the school year. In 1997, the maximum hourly wage rate was \$11.65 and the average gross salary for crossing guards was \$10,111. In 1997, the department spent approximately \$619,820 for crossing guard salaries and benefits.

Crossing guards also receive 3 snow days, 12 vacation days, 12 sick days, and unemployment benefits.

According to township officials, all crossing guards are offered summer employment. If a crossing guard chooses not to work during the summer, the guard is still allowed to collect unemployment benefits during the summer months. In 1998, approximately half of the guards worked during the summer, while the other half received unemployment compensation. In 1998, the township paid \$1,738 in unemployment benefits to crossing guards.

There is a bill before the legislature that would make school crossing guards ineligible for unemployment during the summer months. Should the bill pass, the township is encouraged to comply with the provisions of the law and should hire only those crossing guards that are needed during summer. If the bill does not pass, the township is urged to make summer work available to these employees. If the employee refuses to work, the employee should not be allowed to collect these benefits.

Parking

The township has approximately 270 parking meters. Meters are both on-street and off-street in parking lots. The current rate for the parking meters is \$0.05 for 30 minutes, \$0.10 for one hour, and \$0.25 for three hours.

In 1998, the township collected \$4,787 from all of the daily parking meters. This amounts to \$17.72 annually for each meter, which is low in comparison to some communities collecting \$300 to \$450 annually per meter.

Police officials also believe the low revenue figures are due to low enforcement priority and low meter rate. The average number of meter parking summonses issued per month was approximately 14, which is very low compared to other communities of comparable size.

Many towns have meter rates of \$0.25 per hour. Assuming the township increases the rate for parking meters, approximately 2.5 times more revenue from parking meters should be realized, approximately \$11,967. If enforcement practices are improved, the township should realize an even greater amount of revenue. When parking meter violations are not strictly enforced, drivers are more likely to forego putting money in the meters.

Increasing meter rates requires recalibrating the meters. Thus, there are additional labor and parts costs to change the equipment. The cost for new mechanical equipment is approximately \$3 each, or \$810 to recalibrate all 270 meters. The labor cost should be low, as the equipment replacement can be completed when the meter money is normally collected.

Recommendation:

It is recommended the township consider increasing parking meter rates.

Revenue Enhancement: \$11,967
One-time Value Added Expense: \$810

LGBR also observed personal vehicles parked in off-street municipal parking lots overnight. The township presently receives \$12 a month for this permit process. Other similar communities are charging \$20. If the township increases the overnight parking permits for these lots to \$20 a month, the township can receive \$7,200 in additional annual revenue, assuming 10 vehicles park in each of the 10 lots overnight.

Recommendation:

It is recommended the township increase parking permit fees for vehicles parking overnight in off-street municipal parking lots.

Revenue Enhancement: \$7,200

Parking Meter Survey

LGBR conducted an informal survey, which indicated that the township should be able to install approximately 100 new meters at strategic locations throughout the community. These 100 new meter locations should not infringe on the residential rights of any homeowners. The township is urged to conduct a more formal survey for new meters. The approximate costs for the 100 new meters are \$25,000. Using \$44 per meter, which is the 1997 meter average of \$17.72 multiplied by 2.5 to account for the proposed rate increase, the township should receive approximately \$4,400 in new revenue, a six year payback on the investment.

Recommendation:

It is recommended the township conduct a survey using its traffic division to explore the feasibility of installing additional meters.

Revenue Enhancement: \$4,400
One-time Value Added Expense: \$25,000

Parking Enforcement Officer Program

Parking meter revenue could be further increased by augmenting enforcement practices by creating a Parking Enforcement Officer Program (PEO).

Parking enforcement is an integral part of traffic control to the Township of West Orange. During our field observations, many parking meter violations were observed. Parking meter violations and parking enforcement can be a low priority to police officers due to staffing and workload constraints.

Presently, the meters are monitored by police officers assigned to a patrol zone. Enforcement has become a low priority as the police officers are often responding from call to call and are unable to properly enforce the daily parking meters.

The township should consider using two crossing guards as PEOs. This will allow police officers to spend more time on higher priority police patrol functions within the communities.

Other nearby municipalities employ parking enforcement officers for approximately \$18,000 a year. Since the average crossing guard receives approximately \$10,000, there would be additional costs of \$8,000 per PEO. Much of these added expenses will be offset by additional revenue from parking violations. In fact, the two PEO's need to issue only three parking tickets per day to offset the added expenses, based upon the current overtime parking fine of \$11. Increasing enforcement will also have a corresponding increase in fees collected from the parking meters, which is currently low.

The average number of meter parking summonses issued per month was approximately 14 or 168 annually, which is very low compared to other communities of comparable size. Some neighboring towns issue approximately 200-300 parking violations per month per parking officer.

Assuming each parking officer issues approximately seven tickets each day, a total of 3,640 annual tickets would be issued. Based upon the current parking fine, an additional \$38,192 in revenue would be realized. By increasing the overtime parking fine from \$11 to \$13, the township would receive an additional \$45,136 in revenue.

Should the governing body decide to establish the parking enforcement officers/crossing guard program, they should ensure that the PEO individuals are properly trained and uniformed in accordance with N.J.S.A. 40A:9-154.11. The township could also have the PEO's enforce quality of life issues.

Recommendations:

It is recommended the township assign two of the existing part-time crossing guards as full-time crossing guard/parking enforcement officers. The township should properly train the PEOs and may want these two individuals to assist with quality of life issues. It is also recommended the township consider increasing the overtime parking violation fine from \$11 to \$13, which is in line with surrounding communities.

**Valued Added Expense: \$16,000
Revenue Enhancement: \$45,136**

By creating the PEO program, the township may qualify for the use of the electronic ticket devices provided by the New Jersey Administrative Office of the Courts (AOC). This system, known as the Parking Authority Ticket System (PATs), communicates directly with the State of New Jersey court automated traffic system and provides an electronic record of each summons issued. These devices generally reduce clerical work of court staff as manual filing and posting of handwritten tickets is not required. In addition, the system can also reduce penmanship errors that occur with handwritten summonses.

The township must adopt a resolution acceptable to the AOC to implement this program.

Recommendation:

It is recommended the township explore the feasibility of using the PATs system with the PEO program cooperatively with the Administrative Office of the Courts.

Parking Meter Collection

Currently, money is deposited into a parking meter that falls into a locked container. A DPW employee presently collects this money and receives a \$2,000 stipend to perform these duties.

This function could be performed by the two crossing guard/PEOs. During the course of their parking duties, these two PEOs could collect the money weekly or biweekly, whatever the necessary interval is. There would be a productivity enhancement to the DPW, as the DPW employee would no longer perform this function.

Switching the collection process to the two PEOs improves the internal controls regarding the collection process of public funds as it is more prudent to have two employees perform this function rather than one employee.

Recommendation:

It is recommended that the two new individuals assigned as PEOs conduct the collection process creating a productivity enhancement for the department of public works.

Cost Savings: \$2,000

Parking Meter Advertisement Program

Advertising programs and promotional concepts are available for parking meter poles. The advertising and promotional devices are attached to the parking meter poles and are similar to the type used on shopping carts in food markets. A Massachusetts town has had success using these advertising devices.

There is no type of overhead or installation costs to the township for this program. The program is coordinated by an advertising agency, which provides the signs and collects the monthly rental fees. The signs are easily assembled and can be put on the meters when the township regularly collects the money from the meters.

The township would receive \$6 a month per meter. Based upon the 270 existing township meters, approximately \$19,440 in revenue could be generated.

Recommendation:

It is recommended the township consider implementing this advertising package.

Revenue Enhancement: \$19,440

COURT

While the team recognizes the separate authority and responsibility of the judicial branch of government, the following comments and recommendations are made in an effort to provide the township with information on current and potential operations, procedures and programs available to the court. Recommendations are made with the knowledge that further review and approval will be required by appropriate judicial personnel.

Staffing

The West Orange court is staffed by two part-time judges, one court administrator, one deputy court administrator, one violations clerk and one senior data entry clerk. The violations clerk is officially in a clerk typist position. While each position has a distinct function, the violations clerk and the data entry clerk provide backup to each other.

Financial

In 1997, the cost for salaries and direct benefits was \$262,012 and the cost for other expenses was \$77,088 totaling \$339,100. According to the township audit, the total 1997 court revenue was \$514,626.

Both part-time judges receive health, social security and Medicare benefits. One judge receives additional compensation for presiding over the environmental court.

Compensatory Time

While clerical staff is eligible to receive overtime, this rarely occurs. The team did find a considerable amount of accrued compensatory time among court staff. As of December, 1997, the deputy administrator had accumulated 597 hours or 85 days; the clerk typist had accumulated 166 hours or approximately 24 days; and the senior data entry clerk had accumulated 41.5 hours or approximately six days.

All employees, including court staff, are permitted to carry accrued compensatory time until retirement and receive cash reimbursement for this time. The retirement of a recent court employee resulted in a payout of approximately \$5,700 for 46 compensatory days.

Compensatory time should not be permitted to be carried over until retirement. A policy should be established requiring employees to use compensatory time within a six-month to one-year period after the time is earned.

In an effort to reduce compensatory time earned, the township should also consider a “flextime” program, which could function as follows. Assuming two workers are needed for an evening court session, one staff member could come in at noon on the day of that session. The other required worker could come in at noon on the following day, or a day of convenience to the department and the employee. If implemented, the township should monitor the effect “flextime” has upon the rate of disposing cases.

Recommendation:

It is recommended the township consider eliminating the practice of carrying compensatory time until retirement. The township may also consider initiating “flextime” for court personnel to reduce or eliminate compensatory time.

Automation

The court administrator uses the Automated Traffic System/Automated Complaint System (ATS/ACS), which is under the jurisdiction of the Administrative Office of the Courts (AOC) in Trenton and is accessed on-line via modem. The system is also used to electronically file monthly reports to the AOC. Data contained in these monthly reports is the basis for the caseload analysis to follow.

Court Sessions

The court facilities are located in the Police and Justice Building, which opened in 1993. The township holds traffic court three times per week, Monday evening, and Tuesday and Thursday mornings. The calendar is set up to allow each judge to work evenings twice per month. Special court sessions are held each Wednesday for DWI cases, property code violations and environmental violations for the Essex County Regional Health Commission, which is described in the health and welfare section of the report.

Courtroom Security

Courtroom security is provided by special law enforcement officers. Both judges expressed concern regarding courtroom security because the special police officers do not carry weapons, leaving them exposed to criminal activity in the courtroom. Class one special police law enforcement officers are not permitted to carry guns, while class two special officers are permitted to carry guns.

Recommendation:

It is recommended the township consider using class two special police officers who are permitted to carry guns for courtroom security. The township might also want to hire retired police officers who have the ability to carry guns for courtroom security.

Caseload and Statistical Analysis

In 1997, the court disposed of 16,956 traffic and 2,415 criminal cases. The traffic charges “disposed of” compared to those “added” during the year were 105.02%. Likewise, the criminal offenses “disposed of” were 87.47%. Both are very good case disposition rates.

Caseload statistics indicate an efficient operation. In 1997, there were a total of 19,371 traffic and criminal cases disposed. The monthly caseload per employee is 404. Many factors affect the ability of a court staff to process cases. Foremost is the mix of parking, moving violation and disorderly person (criminal) cases. LGBR has reviewed well-run municipal courts handling 160 to 205 cases per employee per month. These courts often have a high criminal caseload. West Orange’s court, with a mix of approximately 87% traffic violations, is functioning above average.

The township is commended for its efficient court staff.

Collections

West Orange also had good collection rates. The total collections to the total fines and court costs show collection rates of 97.22% and 79.26% for traffic and criminal offenses, respectively.

An evaluation of the 1997 dockets showed one of the judges disposed of 20 percent more cases than the other judge. Of the 4,701 cases placed on the docket, 59% were disposed by one judge while 41% were disposed by the other judge.

While different types of cases can be more complex and time consuming than others, the appointing authority should be aware of case disposal statistics.

Time Payments/Delinquent Complaints

From time to time defendants are unable to pay fines assessed in court. In such cases, the judge may allow a defendant to make periodic payments. These payments are called “Time Payments.” In many courts, time payments become delinquent requiring aggressive follow-up by the court staff. In reviewing the time payment accounts of the West Orange court, the team found that time payments are growing. In reviewing the period from January, 1997 to December, 1997, time payments grew from \$214,156 to \$276,156.

An analysis of delinquent complaints, at the end of 1997, shows there were five delinquent complaints worth \$727, which is low.

Recommendation:

It is recommended that the township apply to the AOC for participation in the Comprehensive Enforcement Program (CEP). This pilot program is a joint effort by the state probation department and the AOC to take additional measures to enforce the payment of fines. The cost to participate in CEP is 25% of the collected fines. Due to the many variables involved in collection efforts, the team cannot accurately estimate the additional revenues generated by this recommendation.

FIRE DEPARTMENT

Staffing

The township staffs the department with 89 uniformed firefighters and two civilians. Uniformed firefighters include a fire director, fire chief, seven deputy chiefs, 25 captains and 56 firefighters.

Fire Stations

There are four fire stations located throughout the municipality providing fire coverage within two miles of any structure. Each of the four fire stations house engine companies and one station also houses the ladder company, while another station also houses the fire rescue company.

- Station One, constructed in 1970 and located on Valley Road, houses the main headquarters.
- Station Two, constructed in 1979, is located on Washington Street.
- Station Three, constructed in 1957 and located on Ridgeway Avenue, houses the ladder truck.
- Station Four, also constructed in 1957 and located on Pleasant Valley Way, houses the township's fire ambulance equipment.

Equipment

The department currently has 18 vehicles; 10 are firefighting apparatus and the remaining are vehicles for various departmental use. Vehicles range in age from a 1975 reserve pumper to the chief's 1998 Ford. The complete vehicle list is located in Appendix D.

From 1999 through 2005, the department will need to replace four engine pumpers, the ladder truck, six vehicles and a mini-pumper for an approximate cost of \$1.3 million.

The fire department has made budget requests to replace one pumper and ladder truck with a "Quint" (a combination pumper-aerial device with 125 ft. of ladders) for \$540,000, saving \$135,000 if both apparatus were purchased separately. The fire department currently has one "Quint" vehicle.

The team commends the West Orange Fire Department (WOFD) for identifying cost effective ideas.

Recommendation:

It is recommended the township consider purchasing the Quint vehicle.

Financial

In 1997, the entire department had a payroll and benefit cost of \$6,230,311. Operating expenses cost the township \$93,130 in 1997. In 1997, overtime costs were \$238,899 although the department had only budgeted for \$125,000. Approximately \$44,000 in expenses was offset by state grant money.

Calls for Service

Below is the department's response analysis for the past four years.

Type of Call	1994	1995	1996	1997
Fire	351	455	416	352
Rescue	87	82	98	116
Hazardous Condition	606	610	827	766
First Responder	N/A	N/A	N/A	1,810
Transport	N/A	17	290	196
Other	1,303	873	1,243	1,104
Totals	2,347	2,037	2,874	4,344

The team noticed a decrease in normal fire department calls between 1996 and 1997 even though the chart appears to show an overall increase of 51%. The increase of calls is a result of the department implementing the first responder program in 1997.

The first responder program involves training the uniformed service in basic life saving for handling emergency medical calls. According to the chief, this program has been extremely effective since the township's EMS is a volunteer force. In cases of dire emergency, an EMT can be on site in a short period of time. As a result of the program, all fire apparatus carry the necessary equipment for emergency medical service. In addition, it has improved productivity of the department by approximately 71%.

Organization

The fire department subdivides organizational responsibilities into five divisions: operations, administrative, fire training and safety, community services (fire prevention) and emergency management. An organizational chart is located in Appendix B.

Operations consist of four tours or platoons each staffing a shift of 24 hours. Each tour has a deputy chief, six captains and 14 firefighters for a total of 21 firefighters on duty. Appendix B also illustrates tour staffing levels.

Fire administration, training and prevention each have one deputy chief and non-uniformed support staff. Life safety/fire code, a sub-unit of fire prevention, has one fire captain.

Staffing Analysis

WOFD staffs each tour/platoon with 21 uniformed members with a departmental policy requiring a minimum staffing of 17 firefighters per tour. The four-tour/platoon system staffs each pumper with one officer and three firefighters with the exception of the ladder truck, which has one firefighter and an officer. On one occasion, the LGBR team observed the ladder truck dispatched on an emergency call with only the driver. We were told the second person was performing fire inspections and would meet the ladder on site.

Officers, firefighters and both labor unions expressed concern regarding inadequate staffing of fire apparatus for stations one and two, which are located in the most densely populated areas of the township. These areas have older residential homes which are close to each other and which are at greater risk for collateral damage.

Currently, when there is a fire in the densely populated areas, station one or two responds with an officer and three firefighters. The engine has one firefighter for hydrant hook-up, one firefighter to serve as pump operator. This leaves the officer and one firefighter to perform initial attack or search and rescue operations without backup.

Work Schedule

The current work schedule is a four-platoon system of 24/72 shifts, or a full 24-hour day of work followed by three 24-hour days off. According to the National Fire Protection Association (NFPA) Fire Protection Handbook, the four-platoon system requires 25% more personnel than the three-platoon system.

This current schedule allows for approximately 2,196 hours in station per firefighter per year or about 42 hours per week, on average. If we allow for eight hours of sleep time, this reduces the available time to approximately 1,450 hours per year based on a 16-hour workday. This compares with a 40-hour workweek of 2,080 available hours per year for the average worker.

The proposed structure below reflects a three-platoon system utilizing a schedule of 24/48, or a full 24-hour day of work followed by two 24-hour days off, rather than three under the current structure. This arrangement provides substantially better coverage, and therefore enhances productivity, by having more firefighters available at any given time. This change would cause firefighters to be in station an average of 2,928 hours per year, or an average of about 56 hours per week.

Under this schedule if we allow for eight hours of sleep time this equates to 1,866 hours available time per firefighter, instead of 1,450 hours. A 53-hour workweek is the maximum permitted under the federal Fair Labor Standards Act (FLSA). A firefighter working more than 53 hours per week in each 28-day work period would exceed the allowable maximum by three hours and would be eligible for extra compensation, except when the work cycle is broken by absences.

In order to comply with FLSA standards, many fire departments utilize what is commonly referred to as a mandatory “Kelly Day.” This is simply planned extra time off which is scheduled during the 28-day cycle.

In 1991, the NFPA reported that in the northeast population protection group of 25,000 to 49,000, 46.8% of the fire force was comprised of career firefighters, 44.8% a hybrid of career and volunteer and 8.4% were entirely volunteer. In addition, a NFPA survey found the median number of career firefighters per 1,000 for a populated area the size of West Orange and located in the northeast region should be 1.64 per 1,000 population. According to this standard, there should be approximately 64 firefighters in West Orange. The reduction of staffing, according to NFPA staffing levels, may significantly impact the Essex County Mutual Aid agreement since 14 of the 18 mutual aid fire departments rely on WOFD for mutual aid assistance.

The current staffing ratio of one superior officer for every 1.65 firefighters is not efficient. The current schedule, the minimum staffing levels, the vacation provision, mutual aid responsibilities, and the increase in sick time usage have all put a strain on the current staffing complement.

A change from the existing four-platoon tour to a three-platoon tour will increase the uniformed staff from 21 to 25 per tour. The proposed change should help the township comply with the mandated "Two-in, Two-out" OSHA rule. This rule requires that when two firefighters enter an interior structure fire there must be two back-up firefighters present prior to entering the structure. The schedule change would also alleviate problems with the number of firefighters on ladder trucks.

The proposed organization chart in Appendix C reflects increasing the number of firefighters to five for the two fire stations located in the most densely populated areas. Also, the increased staffing of the tours should provide the fire bureau with the additional staff needed based on our findings and recommendations in the subsequent sections on the fire bureau and the planning and development department. The increased staffing should also reduce overtime costs.

Recommendation:

It is recommended the township consider changing the existing four-platoon tour to a three-platoon tour which will increase the uniformed staff for 21 to 25 per tour. The township should consult its labor counsel regarding implementing this change for compliance with applicable OSHA safety rules and improved firefighting capability.

Reorganization

In addition to changing the work schedule, the township should consider restructuring the fire department organization.

The existing organization includes the following positions: a fire director, fire chief, seven deputy chiefs, 25 captains, and 56 firefighters for a total of 89 personnel. The proposed organization would have one fire chief/director, one deputy chief, three battalion chiefs, eight captains, 13 lieutenants, and 54 firefighters for a total of 80 uniformed personnel.

The restructuring involves eliminating six deputy chief and 17 captain positions, while allowing for only one deputy chief, three battalion chiefs (one for each tour), the insertion of lieutenant positions and the elimination of superior officers in the non-operational areas of the department.

The department will obtain additional savings while obtaining a more effective and appropriate command structure. The organization chart in Appendix C, also places captains in the firehouses farthest from headquarters. Captains were eliminated in favor of lieutenants in the headquarters and station 2 since they have access to the battalion chief on duty. Additional personnel restructuring calls for a confidential/personnel assistant for fire administration, training & safety, and fire prevention.

The following table illustrates the proposed savings:

West Orange Fire Department Proposed Savings					
Titles	# of Positions	Total Cost	Proposed Titles/ Restructure	# of Positions	*Estimated Salary Cost
Fire Director	1(shared)	\$1	Fire Chief/Director	1	\$103,744
Fire Chief	1(shared)	\$103,745	Deputy Chief	1	\$85,736
Deputy Chief	7	\$600,156	Battalion Chief	3	\$221,322
Battalion Chief	0		Captain	8	\$570,016
Captain	25	\$1,781,300	Lieutenants	13	\$794,729
Lieutenants	0		Firefighters	54	\$2,677,698
Firefighter	56	\$2,763,432			
Totals	89	\$5,248,634	Totals	80	\$4,453,245
			Benefits Savings		\$34,056
Total Staff Reduction – 9 positions			Total Savings - \$829,445		

*Estimated Salary Cost based on Career Fire Department Salaries in New Jersey by contract effective 1/1/98, as provided by WOFD.

Recommendation:

It is recommended the township restructure the organization of its fire personnel.

Estimated Cost Savings: \$829,445

Prior to September, 1998, the township had both the chief and fire director positions assigned to one individual. In 1998, a deputy chief was promoted to fire director, giving the department an individual in each position. In early 1999, the previous fire chief retired and the township council eliminated this position by ordinance.

The team recognizes the combining of the two positions as a cost savings to taxpayers. The combining of positions should also avert confusion of having two different positions in charge of the fire department.

While there was a delineation of duties of the fire director and the chief, some confusion often arose. The fire director generally acts as the liaison for town hall handling the administrative duties of the fire department, and the fire chief generally heads daily firefighting duties. The team witnessed both officers and firefighters bypassing the chief and going to the fire director for

non-administrative issues. Furthermore, the team asked various officers who was in charge and received different answers. During interviews, fire officials responded that, officially, the chief was in charge only during fire operations.

Recommendation:

The township is commended for eliminating one of the positions as a method to reduce overall costs. It is recommended the township establish a clear chain of command for its members by establishing a single deputy director position.

Standard Operating Procedures

The team reviewed the Standard Operating Procedures (SOP) manual in the administration office and compared them to the manuals in the fire stations. Our review found an extensive collection of operating procedures in the administration office and a limited set of SOPs in the fire stations.

The department reported that all SOPs are forwarded to the stations, but are often discarded by the stations instead of being used to update the manual. During observations of fire responses, LGBR witnessed a fire rescue truck returning from an emergency call detour to a shopping center for a food purchase. The chief was asked the policy regarding vehicle usage during emergency dispatch. The chief immediately produced the policy, but indicated that the station captains do not keep updated manuals.

LGBR concludes that there is a need for the department to review, update and issue a universal set of operating procedures to all fire stations. When new procedures are distributed, a system should be instituted where the officer in charge of the manual must sign to receive any new SOPs and attest that the manual will be kept current.

Recommendation:

It is recommended the township establish a SOP committee to review and update policies and procedures, with review and final approval by the director. The department should also assign a specific individual in each fire station the responsibility to maintain the manuals.

Experience

At the request of township officials, the team examined the experience of each tour and found what appears to be disproportionate firefighter experience between tours. The team found tour four had 202 years of accumulated experience compared to the 168 years for tour one.

We also found similar situations in the accumulated experience levels of the captains and firefighters with differences up to almost 20 years of cumulative service. The concern of township officials is that the less experienced firefighters did not benefit from veterans and the appearance that the best fire protection occurred whenever tour four was on duty.

The level of experience between all tours should be consistent in order to provide each level of uniformed employee with senior members who have extensive experience.

Recommendation:

It is recommended the department reorganize the tours to ensure similar experience levels between all tours. The director and deputy chiefs should consider years of experience, training certifications, actual fires fought, heavy rescue and other additional skills when reorganizing the existing tours.

Sick Leave/Overtime Analysis

In 1997, West Orange was the only municipality in the state with career firefighters working a 24-hour shift and being charged in 8-hour segments. In West Orange, one 24-hour period is considered the equivalent of three sick days.

The LGBR team commends the fire department for its policy on applying sick time benefits to the 24-hour tour on an hourly basis.

In 1995, the WOFD used a total of 7,480 hours of sick time equaling approximately 312 24-hour days or 3.5 tours per employee. In 1997, sick time hours doubled to 14,964 hours equaling approximately 624 24-hour days or 7 sick tours per employee.

Recommendation:

Under the existing four-tour/platoon system, firefighters work approximately eight 24-hour shifts a month. Seven sick tours per employee equals almost a full month of work. This does not include other leave, and the impact on overtime costs. It is therefore recommended the WOFD develop and implement a department policy designed to reduce sick time usage and abuse.

The increase in sick leave resulted in a corresponding increase in overtime. Also contributing to the overtime increase were the staffing level requirements and the Firemen Mutual Benevolent Association (FMBA) vacation provision.

WOFD staffs each tour/platoon with 21 uniformed members with a departmental-required minimum staffing of 17 firefighters per tour. According to the FMBA contract, four uniformed members may request vacation on any given day. If four people are on vacation leave and one person takes sick leave, the department must offer overtime to be compliant with the minimum staffing level.

In 1995, the municipality paid \$137,297 in overtime. In 1997, overtime was \$238,899, while the department had only budgeted for \$125,000. According to the finance officer, the township spent \$182,913 in overtime in 1998, approximately \$58,000 more than budgeted.

In 1997, the chief estimated the staffing requirement and vacation issues cost the township at least \$48,000 in overtime costs, not including the additional cost of acting pay, which the department was unable to provide. There were approximately five vacancies. The finance office reported current vacancies in the department kept the fire department under budget, however

additional vacancies contributed to the overtime since the minimum staffing and vacation rule created overtime.

Injury Rate

An examination of the township's occupational safety and health log and summary of job-related injuries and illnesses for 1997 revealed that there were 30 injuries resulting in 131 duty days lost. Of the 30 injuries, 57% of the injured were officers. From 1987 to 1997, WOFD had 236 duty injuries resulting in 922 duty days lost. We also found the department to be proactive in training for safety, maintenance of equipment and fire ground operations.

Hybrid, Shared Services & Regionalization

The municipality is considering a hybrid fire department comprised of both paid and volunteer firefighters. NFPA reported that 54% of municipalities in the northeast with similar populations to West Orange have either a hybrid or all volunteer departments. While a hybrid department presents some organizational challenges, the implementation of a hybrid department will help reduce cost and staffing. In addition, the volunteer component can actively fundraise to cover the expense and maintenance of the volunteers and their equipment.

The township is commended for exploring this initiative and is encouraged to continue its exploration of a hybrid fire department.

The LGBR team identified several initiatives between WOFD and other municipalities that could be the groundwork for enhancing shared services and regionalization. They are:

- Joint firefighting training with the South Orange Fire Department.
- Establishing a county training facility with a local community college.
- Housing and sharing HAZMAT laundry facilities used by neighboring fire departments to clean contaminated gear.
- Lending arson investigation skills from the fire bureau to other local fire departments.

The township is commended for its shared service initiatives.

In addition to the above shared service initiatives, West Orange unofficially serves as a regional fire hub for many nearby communities. South Orange, Livingston, Roseland, Essex Fells, Montclair and Verona all border West Orange and rely upon WOFD for mutual aid assistance and would gain from a regional fire department.

In addition, the team found that West Orange often responds to calls at a large medical center in Livingston. The main road in front of the hospital marks the boundary line between West

Orange and Livingston. West Orange officials believe that they can provide faster responses to the hospital in comparison to Livingston's volunteers who must assemble before responding to the hospital. WOFD is also better equipped to respond with its ladder truck.

NFPA reports mutual aid concepts have expanded into multi-jurisdictional agreements in which fire department resources are pooled or merged into an integrated system with standardized training procedures and communications. These networks may include joint training, shared facilities, joint purchasing and a coordinated approach to long-range planning.

It is apparent that WOFD plays an important part in the county mutual aid agreement and would be a logical choice to act as the lead agency for a regional fire service. Establishing a regional hybrid system would take careful planning before it is accepted by all communities involved. Still, it represents an opportunity for the towns to share costs and benefit from improved coverage and service. The NJ Department of Community Affairs can provide technical and financial assistance for a study. Five Hudson County municipalities have established a regional fire service. These towns could also provide assistance.

Recommendations:

It is recommended West Orange contact elected officials from nearby municipalities and explore the creation of a regional hybrid fire department and its potential benefits.

It is also recommended West Orange contact Livingston and establish an automatic mutual aid agreement that would immediately dispatch Fire Station Three to the hospital.

Vehicles and Maintenance

DPW handles all maintenance and repairs for the fire department. According to township officials, there has been some tension between the fire department and the DPW. The result is that several emergency apparatus have been out of service and not repaired in a timely manner. The WOFD documented the following examples:

- the warranty on the ladder truck was nullified by the manufacturer because the vehicle was not maintained according to manufacturer's specifications;
- a pumper was out of service for over a month due to a leaking water tank;
- the fire rescue truck has had an air leak since April of 1997; and
- Engine #4's generator has been out of service since August, 1997.

According to documentation provided by the WOFD, the DPW does not place a high priority on fire department repairs because the department has two reserve trucks. The DPW claims that when DPW and other municipal vehicles are out of service, the result is idle workers which creates a backlog in the respective department and that the fire department can use its reserve pumpers.

The reserve pumpers are generally older models designed for short-term use. The reserve pumper substituted for the pumper with the leaking tank did not have a working radio. While all departments perform important services, the fire department performs essential emergency

services. Vehicle and equipment repair should be prioritized based on public safety, as well as efficiency. Furthermore, the nullification of a warranty on a half-million dollar truck due to improper maintenance is inexcusable regardless of fault.

The DPW indicated that they try to follow the specifications of maintenance as prescribed by the manufacturer, however, they claim that they have not always been provided with these specifications.

Below is a chart outlining the average repair schedule, based upon past experience with township vehicles. The township is urged to consult manufacturer's specifications and NFPA standards when developing a maintenance and repair checklist.

Type of Repair	How Often
Transmission	Major Overhaul – 5 years
Engine	Major Overhaul or Replacement – 5 years
Brake	Replacement – 2 years
Tires	Replacement – 5 years
Pump	Overhaul – 7 years
Aerial Ladder Mechanics	Overhaul – 5 years

Recommendation:

Timely and accurate repairs and maintenance of fire apparatus are essential, as the public safety of township residents and firefighters are at risk. It is recommended the WOFD, the DPW and the business administrator establish policy and procedures regarding routine and emergency maintenance and repairs of fire apparatus. Fire apparatus should be maintained in accordance with manufacturer's specifications and NFPA standards.

LGBR was not able to get a comprehensive cost for maintenance and repairs for fire equipment due to a major computer problem. The DPW lost all related data prior to August, 1997, because of a computer crash of a database which did not have backup files. The fire department, however, was able to provide a schedule of repairs.

According to 1998 data, the department spent approximately \$74,530 for fire department vehicle repairs, \$65,587 of which were for fire apparatus. For fire apparatus repairs, \$21,909 was spent in-house and \$43,678 was spent for out-source repairs.

DPW uses a shop rate of \$23 an hour, which the team found to be underestimated because it was based solely on the employees' base salary and did not include benefits. The employee benefits increased the township apparatus in-house maintenance and repairs to \$33,053 and increased the hourly rate to \$31. Items such as administrative costs, insurance costs, and facility costs could also be factored into the hourly rate.

The fire department has investigated privatizing fire apparatus maintenance for several years as neighboring communities with similar equipment have. The chief has provided the DPW with estimated cost comparisons. Privatization was never pursued any further.

The team examined two comparable departments, Union Township and Montclair Township, and found that in 1996 it cost Montclair \$15,000 for scheduled preventive maintenance for four first line engines, two reserve engines and an aerial ladder truck. There were additional charges of \$16,000 for repairs and tire replacement. Subsequently, this fire department experienced a 30% drop in out-of-service-days for its apparatus compared to performing repairs in house. WOFD has also offered to perform limited maintenance work itself in Station #4, which has room for a maintenance bay.

An analysis of several vendors found the department would spend approximately \$12,000 for NFPA-recommended maintenance of apparatus if the township competitively bid the service. This estimate includes semi-annual service for first line equipment and annual maintenance for reserve equipment. It excludes the “Quint” since the township already has a separate maintenance contract for the apparatus.

According to the WOFD and DPW, fire apparatus incurs an unusually high cost of maintenance due to extreme topography, weather conditions and various highway and residential street usage.

West Orange should carefully review and monitor its maintenance and repair costs for fire apparatus for 1998 and 1999. A proper understanding of these costs will allow the township to assess whether contracting for the maintenance and repair costs for fire apparatus would be beneficial. LGBR feels the township may achieve significant savings, but due to limited documentation, cannot assess actual savings. The township may wish to contact the Township of Montclair to discuss its fire apparatus maintenance.

Recommendation:

It is recommended the township review and monitor its vehicle maintenance and repair costs and then bid for these services to determine whether privatization will be worthwhile. If cost effective, contracting for vehicle maintenance and repairs should also alleviate the tension and problems between the DPW and fire department.

FIRE BUREAU

West Orange Fire Department’s (WOFD) philosophy is a proactive approach to fire prevention. The department has established and trained fire brigades at all of the major businesses and nursing homes within the township. The department tours buildings with supervisory personnel identifying potential fire hazards and how business owners can help the fire department in an actual emergency.

In addition, businesses at risk of experiencing a Hazardous Material (HAZMAT) incident participate in annual fire department-sponsored drills. Also, to reduce the recidivism rate of juveniles convicted of fire-related offenses, the fire department has also been successful in securing grants to fund a fire prevention program for first time offenders.

Staffing

WOFD staffs the fire bureau with a deputy chief, one captain and one support person. The support person serves as the backup for the departmental secretary. While the fire tours are responsible for performing the majority of inspections, all paperwork is completed by the bureau.

Functions

The fire bureau performs all non-emergency fire-related tasks for the township. The bureau inspects all new construction, dwellings with three or more units, and businesses for fire safety code violations. They issue permits for blasting, construction, and social functions such as fireworks displays, public fairs, carnivals and functions at South Mountain Arena. The bureau also performs complex sub-code inspections, new construction planning and reporting on the national fire reporting system.

The fire bureau enforces an ordinance requiring an inspection for smoke detectors in residential housing at time of real estate sale. These inspections are performed by the firefighters. The bureau also actively promotes fire safety programs for schools, nursing homes, businesses and community block parties. In addition, the bureau assists the department, county and mutual aid companies with arson investigations, especially when there is significant property damage or loss of life.

In 1997 and 1998, the bureau performed 1,209 and 2,267 inspections, respectively. According to the bureau, the increase is mostly due to community growth and a new ordinance requiring all residential housing to be inspected for proper installation of a smoke detector.

Staffing Analysis

It appears that the bureau is understaffed, however without performing a detailed desk audit, the team cannot recommend a specific staffing level. In 1998, West Orange staffed its bureau with three personnel and recently reduced the staffing level to two. In comparison, Bloomfield, Millburn and Montclair have staffing levels of five, six and one-half, and four, respectively.

Sub Code Inspections

There appears to be communication problems between the fire bureau and the code enforcement division of the planning and development department. The fire bureau cited several occasions when the code enforcement office issued a certificate of occupancy (CO) without having the fire bureau perform its necessary inspections. For example:

- code enforcement granted a CO to a business without the inspection of the fire suppression systems by WOFD;
- code enforcement issued blasting permits without notifying the fire bureau;
- code enforcement allowed construction to proceed in a large development without ensuring there were working fire hydrants; and
- code enforcement allowed a movie facility to be 50% completed before it had hydrant service.

These instances add to the bureau's workload as the deputy chief or captain feel compelled to spend time driving around town monitoring and checking work sites.

Recommendation:

It is recommended the township transfer all state sub-code fire inspections, certificate of occupancy and code violation inspections to the fire department. With the implementation of the recommendations in the fire section and planning and development section, the team feels the department will be able to staff the bureau with additional workers to meet the workload. The fire chief and deputy chiefs indicated there were certified departmental staff capable of performing these inspections.

Fire Lane Violations

The department routinely patrols and issues citations to vehicles in violation of the fire lane code, local ordinance #15-8.6-2C. This regulation prohibits parking in or obstructing designated fire lanes. The fine is \$50 and funds training for the fire department.

From 1996 through 1998, the bureau issued approximately 231 citations totaling \$9,240 in fines. As of October, 1998, there were approximately 28 unpaid tickets valued at \$1,400.

The bureau estimates that approximately 20% of the tickets issued each year are not collectable because of failure to pay by the violator and the inability of the department to identify the owner of the vehicle cited. The chief of police has stated that fire department violations do not meet the requirements for access to confidential DMV records as defined by state law. This problem could be remedied with an ordinance automatically transferring unpaid fire violations to the municipal court after 90 days of issuance for enforcement of the failure to pay violation. Another option would be to enforce the fine pursuant to N.J.S.A. 2A:58-10 et. seq. This statute gives the authority to enforce collections for any penalty imposed by any statute.

Recommendation:

It is recommended the township attorney review this matter and recommend an expedient manner to collect outstanding fire lane violations. It is estimated that the township could receive approximately 90% of these unpaid citations totaling \$1,260.

Revenue Enhancement: \$1,260

Flooded Basements

In 1997 and 1998, the department pumped out flooded basements 79 and 84 times, respectively.

Pumping out basements for residents, while a community service, adds additional wear and tear upon department equipment. In times of excessive flooding, providing this service may be necessary. However, if it is the same property owners repeatedly requesting the service, then it becomes a less expensive alternative to correcting the problem for the property owner. A neighboring community charges a \$50 service fee for this service.

Based upon 80 calls per year and a \$50 fee, the township could receive up to \$4,000 in additional revenue. Fire officials believe that it is reasonable to collect 50% of that revenue. The

department could exclude instances of abnormally high levels of rain and township areas prone to flooding.

Recommendation:

It is recommended the township adopt an ordinance to charge a \$50 fee for pumping out basements. The township should consider granting the director authority to waive the fee in times of severe and unusual flooding.

Revenue Enhancement: \$2,000

EMERGENCY MEDICAL SERVICES (EMS)

The Township of West Orange is serviced by the volunteer West Orange First Aid Squad (WOFAS). There are approximately 75 active volunteers. The WOFAS building, which is owned by the township, is strategically located within the community and recently underwent renovations. In addition to the active volunteers, the West Orange Fire Department is utilized to assist the West Orange First Aid Squad, whenever necessary.

Financial

EMS operating costs are funded from private donations and aid from the municipal budget. While the FAS does not receive direct aid from the township, the squad receives in-kind services such as vehicle maintenance, gasoline, and payments for utilities. The township also purchases ambulances and other equipment for the squad. The most recent ambulance purchase was in 1997. The township funded nearly \$1 million for improvements to the FAS building, which were recently completed.

Calls

In 1997, there were approximately 4,300 calls for medical service, according to the police computer aid dispatch system. The West Orange First Aid Squad, the fire department and mutual aid from other communities responded to these calls. In 1997, the West Orange Fire Department responded to 110 medical calls. The medical responses increased to 210 in 1998.

Billing for Service

Many municipalities have successfully implemented billing or charging fees for emergency medical services. In other communities, billing for EMS has resulted in financial assistance to the first aid squads along with tax burden relief to residents.

According to EMS experts, there is a break-even point or threshold of approximately 1,000 to 1,200 calls or transports. In 1997, West Orange had over 4,000 calls. Based upon this information, the township should explore the possibility of billing for emergency medical service calls.

Typically, communities billing for EMS calls are charging between \$150 to \$425 per ambulance transportation, depending on the insurance carrier. The team realizes that there may be some individuals who are indigent and unable to pay for this service. A provision may be added to assist these individuals who can not pay for the service. Other towns reported that they can

recoup or net an average of \$80 to \$180 per medical call after the administrative fees and those individuals unable to pay are factored in.

Based on these figures, the Township of West Orange could realize approximately \$344,000.

LGBR recognizes this process is not as simple as identifying the annual number of calls and the projected revenue per call. An EMS official at the League of Municipalities Conference session on this subject stated billing for emergency medical services is not as easy as it seems and that there is not as much money to be gained as thought.

The township may want to set up a committee to investigate its feasibility as there are many complex organizational, legal, insurance and financial issues, which must be addressed in order to properly implement a billing system. The State Department of Health can provide technical assistance in this process. The township is also fortunate to have a WOFAS volunteer who is active in the New Jersey State First Aid Council and can be a valuable resource to such a committee. It is strongly recommended that the township attorney be involved in the process.

The committee, if established, should investigate operating the billing system through the fire department or fire prevention unit. Operating through the fire department may help to address and alleviate several of the complex organizational and legal issues. Camden County successfully operates its EMS operation as an "arm" of its fire department.

While a billing policy of this type is a drastic change to West Orange, it merits review and possible implementation by the township. Most of the potential revenue is received from insurance carriers and Medicare reimbursement.

Recommendation:

The team recommends that the governing body explore the feasibility of establishing an in-house billing program for the emergency medical service calls.

Revenue Enhancement: \$344,000 - \$774,000

The lines of communication between the first aid squad and fire department have diminished over the last year because the township implemented a policy directory for the fire department to

backup the first aid squad on calls for service. When the policy was implemented, there were very limited discussions regarding the standard operating procedures between the first aid squad, and the police and fire departments.

A liaison officer from the WOFD has been assigned to assist the WOFAS with their concerns. Although this liaison officer is present during the WOFAS meetings, the issues apparently are not being addressed by the fire department administration. It is apparent the liaison officer does not have the power to make any changes affecting the two agencies.

Recommendation:

It is recommended the fire department administration assign a liaison from the township council who has the power to create and implement policies acceptable to both organizations in an effort to reopen the lines of communication and to establish a clear direction.

PUBLIC WORKS

The department of public works provides vital services to the township and is a highly visible operation. The topography of West Orange, which is unique for Essex County towns, has two mountainous regions dissecting the township, which adds to an already difficult task of providing these services in the most economical way.

Organizational Structure

The department is divided into two main divisions: engineering and public works. The public works division is subdivided into five units: central garage, buildings and grounds, sewer, shade tree and streets. These units are discussed separately later in this section.

The municipal engineer, who serves as the department head, is responsible for the operation of the entire department and has been serving in this position for the past 19 years.

The department employs an assistant director and superintendent to assist the engineer in managing the public works department. The assistant director was hired approximately five years ago to help manage the department more efficiently based upon his previous experience as a contractor. The superintendent has worked for the township for approximately 20 years, the last two as superintendent and as the assistant superintendent prior to his appointment.

The department employs 60 full-time employees, seven in the engineering division and 53 in the public works division. Of the 60 employees, there are four clerical positions including a light laborer position, who performs the computer system functions for the department.

Financial

In 1997, the total salary and benefit cost for the department of public works was approximately \$3,422,656, and other expenses were approximately \$633,525. The total overtime costs were \$197,400. The total cost for the division was \$4,056,181. The public works budget accounts for approximately 10% of the municipal budget.

According to township records, the township paid \$197,400 in overtime in 1997 for the entire department. Snow and leaf removal accounted for 36% and 10% of overtime, respectively. Parades accounted for almost \$4,000 including \$2,700 for the St. Patrick's Day parade.

Snow/Ice Removal	\$71,294	36%
Leaf Collection	\$19,466	10%
Recycling	\$8,019	4%
Sewer	\$25,285	13%
Mechanic	\$47,160	24%
Parades	\$3,801	2%
Recreation Projects	\$10,600	5%
Other	\$11,775	6%
Total	\$197,400	100%

Overtime has become the norm when scheduling work throughout the year in several divisions. For example, weekend coverage for the central garage and the sewer division are regularly scheduled, but treated as overtime "call-ins." Also, leaf collection overtime for working two holidays appears to have become a standard practice. These areas are discussed in detail in their respective sections.

Recommendation:

It is recommended that the township review overtime usage and practices in each DPW division.

Engineering

The engineering division is responsible for the design or administration of major township public works projects, the supervision of independent private and contracted projects, the issuance of certain permits, inspections, street and tax maps, and maintaining the township's infrastructure.

The staff consists of a municipal engineer, an assistant municipal engineer, a senior architect, a drafting technician, a public works inspector, a secretarial assistant and a clerk typist.

In 1997, the salary and benefit costs for this division were approximately \$454,000. Other expenses were \$11,500. The total cost for the division was approximately \$465,000.

In 1998, the division was reduced by two positions, a senior public works inspector and a public works inspector. At the time of our review, there were no plans to fill these positions. If these positions remain vacant, the department would save approximately \$100,000 in salaries and benefits.

The division maintains an annual schedule of projects. To the credit of the division, the majority of these projects are completed. In 1997, the engineering division was involved in approximately 14 land development projects, several street reconstruction projects, traffic surveys, several parking lot construction projects, sanitary sewer and drainage construction, renovations to public buildings, and lighting projects.

Since 1991, the township has employed an in-house architect, which is unusual for most municipalities. Architects are usually contracted as needed. The township was presented with a unique opportunity to employ the services of an architect in a full-time capacity and did so because there were several large construction projects planned for the next few years. The township architect, who receives a salary of \$72,000, has saved the township a great deal of money by not having to hire outside architects for each project. Township officials do not plan to hire another architect upon the retirement of the current architect as the construction projects are declining.

The township is commended for its cost-effective hiring of a township architect.

Public Works

The public works division is responsible for the maintenance of the township's sewers, shade trees, buildings and grounds, vehicles, and the infrastructure.

Within each unit are a supervisor, an assistant supervisor and various support titles. The division reassigns personnel throughout the year for special projects when needed and during slow periods of time. From mid-October to early December, approximately 23 employees are reassigned into five working crews for leaf collection.

Administration

In 1992, the division implemented a work order computer system, which tracks the orders by job category. The work orders are generated by various township personnel or citizens who observe improvements needed in the community.

The principal timekeeper enters the work orders into the system thereby creating an open request. The work order is then given to the supervisor to schedule the work. When the work is completed, the supervisor returns the work order to the principal timekeeper to enter the completion date and number of hours.

While the division does track work orders, the supervisory personnel do not fully utilize the system. For example, there is no review of the work orders to determine completion date or duplications.

In addition to the work order system, the supervisor of each division prepares a weekly work schedule and submits it to the superintendent for review. Included in this work schedule are the assigned work orders for that week. At the end of each day, the supervisor and assistant supervisor prepare a daily work report which includes the employees, the work performed, the number of hours worked, the equipment or tools with the dollar amount for usage (based on Federal Emergency Management Administration [(FEMA)] rates) and materials used. The information contained in the daily work report is useful for management to determine the cost effectiveness of the work project.

Upon review of the procedures, it was determined that the reports are not tracked in a database, but rather are stored in a closet bundled together by month. There appears to be little management review of the costs associated for each job category. The division is heading in the right direction with the daily work reports and the breakdown of cost per job category; however, management needs to have the daily work reports entered into a database so that the costs and productively can be analyzed.

The township is commended for its work order computer system, its weekly work schedules, and daily reports and is urged to store and analyze this data in a functional database.

Recommendation:

It is recommended that the township enter the daily work reports and categorize work projects into a database to determine the cost effectiveness of the various work projects. Performance measures can then be established using the resulting database.

The department utilizes a weather forecasting service at a cost of approximately \$1,500 annually. This service is beneficial to the superintendent when scheduling the department's work.

Supervision

Each DPW crew has a supervisor and an assistant supervisor. The supervisor and assistant supervisor are almost always in the field together working with their crew. In essence, the assistant supervisor is not supervising, as the supervisor is present for this function. If the supervisor had additional administrative duties which precluded him from being in the field the majority of the time, then the assistant supervisor would be an appropriate title. However, this is not the case. It would be beneficial to eliminate three assistant supervisor titles and reassign these personnel to the senior public works repairer title and have the assistant director or superintendent cover for the supervisor. Acting duty pay could be given when the supervisor is not present.

Recommendation:

It is recommended the township eliminate three assistant supervisor positions and reassign these personnel to the senior public works repairer title and have the assistant director or superintendent cover for the supervisor, while on leave.

Cost Savings: \$10,345

Each supervisor and assistant, as well as the superintendent, was promoted up through the ranks, which can be difficult for both the supervisors and the workers. The NJ Department of Personnel offers classes in supervision and switching from co-worker to supervisor. The department should send the supervisors to these classes to improve their skills and enhance the efficiency of their units.

Recommendation:

It is recommended the township consider sending supervisors to supervision training.

Value Added Expense: \$1,920

There appears to be a relaxed attitude towards making the workers accountable. The supervisors require constant guidance by the assistant director and occasionally from the superintendent. While most employees perform their duties in a conscientious manner, there are some who, according to township officials, “just put their time in” and let others carry the load. DPW officials have indicated that there are several individuals who can be eliminated with little impact on productivity.

This problem could be addressed through performance evaluations, which unfortunately have not been completed in several years. Performance evaluations could play an integral part in assessing the departments success in meeting the established goals and objectives. The performance evaluation, when used correctly, provides employees with a written explanation of the work standards associated with the job and feedback from the supervisors on their ability in meeting those standards. This communication is essential for efficient operations. Documenting poor performances would help the township to comply with civil service dismissal procedures.

Recommendation:

It is recommended the township reestablish its performance evaluation procedures for DPW staff.

The assistant director is in the process of educating the supervisors of each area in estimating the cost per job. This will help the director, assistant director and superintendent to determine whether the work can be performed more efficiently with department personnel or private contractors.

The township is commended for improving information regarding job costs. Improved information will allow the township to explore alternative methods for the delivery of its various services.

Central Garage

The central garage is staffed with nine employees: one supervisor, one assistant supervisor, two mechanics, two mechanic helpers, one body and fender mechanic, one public works repairer and one garage attendant. This division is responsible for the maintenance and fueling of the approximate 220 municipal vehicles.

In 1997, the salary and benefit cost for this division was approximately \$563,000. Overtime costs were approximately \$45,000 and other expenses were approximately \$290,000. The total cost for the division was \$898,000. This equates to approximately \$4,080 per vehicle for the 220 municipal vehicles.

The mechanics work staggered shifts. One mechanic works from 5:00 a.m. to 1:30 p.m., two mechanics work from 6:45 a.m. to 3:15 p.m. and the garage attendant from 2:00 p.m. to 11:00 p.m. The mechanics rotate and work weekend shifts.

During the staggered hours and weekends, the mechanic on-duty serves as the garage attendant, performs basic maintenance on vehicles, fuels police vehicles, and also assists the sewer attendant with weekend inspections.

According to township officials, the mechanics have worked the staggered schedule for over five years in an effort to provide emergency mechanic coverage to the police department and its police vehicles.

Recommendation:

It is recommended the township require police officers to fuel their own vehicles. This will reduce some of mechanic duties and would reduce the need for night and weekend mechanics' coverage.

Vehicle Equivalents:

When evaluating the efficiency of vehicle maintenance, it is important to determine a vehicle equivalency. "Vehicle equivalents" is a method used to determine the staffing level needed to maintain vehicles. It was developed by the US Air Force and is recognized by various fleet management consulting groups as one of the best guidelines for analyzing staffing levels. This method determines the average hours of maintenance and repair a vehicle requires and translates those hours into vehicle equivalents. For example, a passenger vehicle requires approximately 17.5 hours of work per year, while a trash compactor truck may require 136 hours of work per year, which would be eight times the work of a passenger vehicle, or a vehicle equivalent of eight.

Based on the number of vehicles, age and estimated maintenance requirements, excluding miscellaneous equipment, West Orange's 220 municipal vehicles have an approximate vehicle equivalent of 450 vehicles.

A vehicle equivalent ratio is determined by using the number of available annual mechanic hours. A full-time mechanic has 1,784 available annual hours. This figure is calculated by reducing 2,080 hours, which is the annual hours in a 40 hour work week, by the average number

of vacation days (15), holidays (12), and sick days (10). The available hours (1,784) are divided by the maintenance requirements for one passenger vehicle (17.5 hours) to determine the industry standard vehicle equivalent ratio of approximately 102 vehicle equivalents per mechanic.

West Orange has one supervisor, one assistant supervisor, two mechanics, two mechanic helpers, one body and fender mechanic, one public works repairer and one garage attendant. An analysis of the duties of these positions indicates that there is the equivalent of six mechanics in this division. The township's fleet of vehicles has a vehicle equivalent of 450 vehicles. Thus, the township has a vehicle equivalent ratio of 75 vehicles per mechanic. This figure is below the industry standard of 102 vehicle equivalents per mechanic.

According to the model applied to the township, the vehicle equivalency equates to approximately 450 vehicles. Based upon the industry standards, the township only needs 4.5 mechanics to handle its 450 vehicle equivalents. If the industry standard were achieved, the township would be able to decrease staffing by 1.5 mechanics.

Recommendation:

It is recommended the township monitor the mechanics' work rate to increase vehicle equivalents from the current 75 to the industry average of approximately 100. Achieving this rate would allow the township to decrease staffing level by 1.5 mechanics for an approximate cost savings of \$75,000.

Cost Savings: \$75,000

Fleet Maintenance Analysis:

The division utilizes a fleet maintenance computer program that maintains records by vehicle and other useful information like date of repair, repair type, days down, labor hours and cost, parts, and mechanic. The computer program "crashed" and lost four months of information. Notwithstanding the information that was lost, it appears all work is not accounted for. The team was informed that some vehicle repair information is kept in ledger books and not entered into the computer system. The upgrade of technology to track vehicle maintenance, work orders and inventory could enhance the efficiency of the unit and the superintendent.

Recommendation:

It is recommended the township ensure that all work is accounted for in the computer system and take all necessary precautions to properly "back-up" the computer system. The township may wish to consider an upgrade of its current system.

The township should also monitor inventory control procedures. There is no inventory control person who gives the parts out, rather, all mechanics have access to the parts/supply room and help themselves. If the mechanic doesn't log the part into the computer or ledger books, then it goes unaccounted. According to department personnel, physical inventory is done once a year. Without an employee in charge of the parts/supply room, the department runs the risk of some parts and supplies "walking off" on their own, especially since there are no reconciliation procedures in place to verify the parts used on municipal vehicles.

Recommendation:

It is recommended the township assign a supervisor for inventory control duties and that regular reconciliation procedures are implemented.

The division also provides weekend mechanic coverage. While weekend work is scheduled, the mechanic working is paid as if it was an emergency call in and receives a minimum of four hours at time and a half pay rate. The weekend mechanic coverage also assists the weekend sewer inspector with weekend sewer inspections.

In 1997, the township weekend coverage cost was \$30,740. There was also additional mechanic overtime for approximately \$11,140.

Changing the mechanic's workweek to include the weekend coverage would eliminate overtime. By paying at a regular pay rate rather than the overtime rate of time and a half, the township could save approximately \$10,246.

This department could significantly reduce the weekend overtime by instituting a "call-in" basis for overtime, whereby a mechanic would be called in when needed.

Recommendation:

It is recommended the township evaluate whether weekend mechanic coverage is needed. If needed, the township should eliminate the scheduled weekend overtime for mechanics and integrate weekend coverage into a regular workweek. Mechanics would be paid at their regular pay rate rather than at their overtime rate.

If weekend coverage is not needed, the township should authorize weekend coverage only when needed on a "call-in" basis.

Cost Savings: \$10,246

In addition, this unit has a body and fender mechanic who works the standard hours of 6:45 a.m. to 3:15 p.m.

In 1997, the salary and benefits for this position were approximately \$65,000 and other expenses were approximately \$47,000, including \$20,000 for outsourcing body and fender repairs for a total of \$112,000.

During 1997, approximately 12 vehicles required body or fender work, which equates to an average of approximately \$9,300 per vehicle. Since the body and fender mechanic works on approximately one vehicle per month, it does not appear that there is enough body and fender work to justify this position.

The township should consider eliminating this position. The township should be able to save, at the very least, the salary and benefits cost. The township would increase its outsourcing costs which is difficult to quantify as it is dependent on the number of accidents involving township vehicles. However, this may not be a significant amount because much of the outsourcing costs would be reimbursed through the township's insurance coverage.

Recommendation:

It is recommended the township consider eliminating the body and fender position within the central garage.

Cost Savings: \$65,000

It is recommended the township conduct a detailed review of their fleet maintenance unit. There are numerous fleet service organizations that could review the township fleet maintenance and provide an estimated cost of outsourcing fleet maintenance. At the request of the township, an informal review was conducted by a fleet service organization and it appears this unit was slightly above the industry average cost. The estimate from the fleet maintenance company was approximately \$815,000. As previously indicated, the township is currently paying approximately \$898,000 for this service. It is important to note that the fleet service company only provided a rough estimate based upon the number of vehicles and not the actual use of vehicles in determining the equivalencies.

The township has had preliminary meetings with Montclair Township about providing fleet maintenance services. The township should further explore this shared service and should consider obtaining proposals from fleet service vendors. By including both townships in a proposal, the township may be able to obtain a favorable price.

Recommendation:

It is recommended the township explore a joint fleet maintenance venture with Montclair either in-house or as a contracted service.

While conducting our review, it was noted the township had approximately 12 extra trucks. These trucks were little-used heavy-duty trucks, such as five-yard dump trucks. DPW personnel indicated these trucks were mainly used for snow removal; however, a few are used as "back-ups" for trucks in need of repair.

Approximately one-half of the trucks were purchased in the 1990's and the others were purchased in the late 1980's. Many of the older trucks had less than 20,000 miles indicating the infrequency of usage. The total cost of these extra trucks was approximately \$712,800.

West Orange, even with its unique mountainous terrain, has a very good snow removal operation, in which the township takes a lot of pride. Crucial to their ability to remove snow effectively, is the number of plows the township can put on the road. These 12 extra trucks enhance their snow removal efficiency.

While the township's snow removal efficiency is not disputed, the cost efficiency of its snow removal operations must be examined. To have 12 extra trucks, which are such a large capital expense and used only a small number of times each year, may not be cost-effective. It may be cost-effective to eliminate several trucks and contract snow removal vendors to augment the municipal snow removal fleet.

Eliminating seven trucks at an average cost of \$59,400 would provide a total savings in vehicle replacement costs of approximately \$415,000. There would also be a one-time revenue enhancement in the amount of \$35,000 for the public sale of the vehicles.

Recommendation:

It is recommended the township consider allocating one extra truck to each division, eliminate seven trucks, and contract with private snow removal vendors. The township could sell the seven trucks for a one-time revenue enhancement.

Cost Savings: \$415,000
One-time Revenue Enhancement: \$35,000

Streets

The street division is comprised of roads and traffic subdivisions. The roads unit is responsible for the maintenance and repair of the township roads. The traffic unit is responsible for street sweeping, signage, road and curb painting, and cardboard pick-up.

The street division is staffed by 13 personnel: a supervisor, an assistant supervisor, four senior public works repairers, two public works repairers, four truck drivers and one light laborer.

In 1997, the salary and benefits cost for this division was approximately \$695,000, and other expenses were approximately \$120,000. The total cost for the division was \$815,000.

The township is responsible for approximately 90 road miles. There are another six miles of county roads and 10 miles of state road. The township resurfaces approximately 30 streets per year. A master list of roads to be resurfaced is maintained by the street division. Most resurfacing projects are contracted with private vendors and the minor or small projects such as potholes are performed in-house. Other work performed includes curb refurbishing, municipal lot maintenance and preparation work for contracted resurfacing.

Street Sweeping:

The street sweeping operation consists of two sweepers that operate on a daily basis as long as the temperature is above 34 degrees. In 1997, it is estimated the township swept approximately 4,180 road miles.

The approximate cost for this function was \$154,300. Thus, the approximate sweeping cost per mile is \$37, which is low based upon previous LGBR reports. Sweeping contracts range from \$40 to \$90 per curb mile. For example, the Borough of Ringwood outsourced its street sweeping operation for a contract price of \$46.25 per curb mile.

Street sweeping is seldom a cost-effective operation due to the time required to perform each revolution, cost of the equipment and the low number of times it is used. While West Orange's street sweeping operation is cost-effective per mile because it sweeps its streets frequently, the current level of services should still be evaluated. The township should evaluate whether it is necessary to sweep its streets 46-52 times per year. The township might be able to sweep most streets with less frequency and still have clean streets.

A street sweeper travels approximately 2.5 miles per hour and can sweep approximately 15 curb miles per day. Thus, one sweeper can sweep up to 3,900 miles per year, under optimum weather conditions. West Orange currently sweeps 4,180 miles per year with two sweepers. With each sweeper averaging approximately 2,090 annual miles, the sweepers are operating at approximately 50% of their capacity. Based upon this comparison, it appears that there is room for improvement regarding street sweeping services. The township should evaluate its sweeping operations and determine if any modifications are feasible. When evaluating services, the steep terrain of the township should be taken into account when evaluating services.

With the modification of street sweeping services, the township may only need one sweeper. One street sweeper could be eliminated and one position could either be eliminated or reassigned to another function. The salary and benefits cost for the one position is approximately \$57,900. A street sweeper costs approximately \$110,000.

Recommendation:

It is recommended the township evaluate the necessary level of street sweeping service throughout the township. If it is determined that a modification of street sweeping services is satisfactory, the township may wish to investigate alternative service delivery methods for cost-effectiveness.

Annual Productivity Enhancement: \$57,900

One-time Cost Savings: \$110,000

Leaf Collection:

Leaf collection occurs from October until December and is very labor-intensive. Approximately 23 employees are assigned and divided into five working crews. Each crew has a supervisor and approximately four workers. Leaves are disposed in the compost facility at the recycling center.

In 1997, the salary and benefits cost for this function were approximately \$240,500 and other expenses were \$1,000. Overtime costs were approximately \$20,000 and equipment maintenance costs were \$8,000. The total cost for leaf collection was \$269,500. The township collects approximately 11,000 cubic yards of leaves each year. The approximate collection cost is \$24.50 per cubic yard.

One approach to reduce leaf collection costs is to reduce the amount of leaves collected. Many communities have promoted on-site composting of yard waste by providing composting bins to residents at cost. West Orange currently has a home compost program and offers \$90 compost bins to residents for only \$36. In 1997, 18 residents purchased compost bins and participated in the program.

Collection costs would be reduced by the percentage of the change of leaves collected. For example, if the township were able to reduce leaf collection by 2,000 cubic yards, the township costs would reduce by 18% or \$48,500. By reducing the amount of leaves, the township should be able to eliminate the need for overtime to collect leaves. An additional \$20,000 in overtime could be saved.

The township is urged to increase promotion of the composting program in an effort to encourage more residents to participate. Composting studies have shown that communities with backyard compost programs gain more than \$3.50 in direct, quantifiable benefits for every dollar invested in the program.

The township also encourages residents to bag leaves. Paper leaf bags are provided by the township at a cost of \$1 for 10 bags.

Recommendation:

It is recommended the township increase the promotion of on-site composting for yard waste. The township should also increase the promotion of bagging leaves.

Cost Savings: \$68,500

The township should also monitor its overtime practices for leaf collection. In early November, DPW officials informed LGBR that the township was ahead of schedule with its leaf collections. The DPW staff then worked the Veterans' Day holiday collecting leaves, producing significant overtime costs. LGBR believes that if they were ahead of schedule, there was not a need to work holidays. Overtime for working holidays such as Election Day and Veterans' Day has become a standard practice. Overtime for leaf collection should be worked only when necessary.

Recommendation:

It is recommended the township monitor its overtime for leaf collection. Overtime should not be a regularly scheduled item and should only be authorized when necessary.

Sewers

The sewer division operates and maintains approximately 100 miles of sanitary sewage lines, the 10 sanitary sewage pumping stations, the storm water drainage system, and approximately 1,100 catch basins. The division is also responsible for the construction and reconstruction of sanitary sewage lines.

This division is staffed with eight employees: one supervisor, one assistant supervisor, one senior sewer repairer, one senior mason, one mason, two laborers and one pump station attendant.

In 1997, the salary and benefits cost for this division was approximately \$438,000 and other expenses were approximately \$50,000. There was also over \$25,000 in overtime including \$12,460 in scheduled weekend coverage.

The division processed approximately 120 work orders in 1997 ranging from catch basin repair to sewer system repair. The department also services its 10 pumping stations daily, including weekends. While this weekend servicing is scheduled, the worker conducting the inspection is paid as if it was an emergency call in and receives a minimum of four hours at time and a half. The weekend mechanic on duty assists with the inspection.

By paying at a regular pay rate for weekend coverage rather than the overtime rate of time and a half, the township will save approximately \$4,154. The elimination of the four-hour minimum will probably save the township more money. Unfortunately, we are not able to calculate this amount.

Recommendation:

It is recommended the township treat pump station weekend inspections as a regularly scheduled item to be paid at an employee's regular pay rate and eliminate the minimum four-hour call-in and pay for only time actually worked.

Cost Savings: \$4,154

This unit also develops sewerage replacement and new construction projects for each year. In 1997, the following projects were completed:

- Reconstruction of three sections of sewer systems.
- Removal and reconstruction of a portion of a sewer force main.
- Repair of two sections of pump station force main.
- Installation of a sewer service connection for a temporary building for public safety.
- Construction of a drainage system for a public parking lot.
- Improvements to a drainage system for five problem streets.

There are also a number of land development projects, as previously indicated under the engineering section, which will increase the amount of mileage and maintenance of the sewer and drainage systems.

Shade Tree

The shade tree division is responsible for the maintenance of approximately 10,000 trees designated as municipally-owned. In addition, the division removes and plants approximately 250 trees annually.

The division is staffed with six employees: one supervisor, one assistant supervisor, one senior repairer, one tree climber, one repairer, and one truck driver.

In 1997, the salary and benefits cost for this division was approximately \$362,000 and other expenses were approximately \$16,000. The total cost for the division was \$378,000.

According to the information received from the township's work order system, the division processes approximately 800 work orders annually, ranging from trimming and pruning to removal and design. This equates to approximately three work orders per day. While some work orders may be very large jobs and some can be quite small, three work orders per day does not seem to be a high volume.

Several municipalities have had success contracting tree services. Some towns compile a list of shade tree projects to be completed and then bid these projects to tree service vendors. By allowing the contractors a certain amount of flexibility to work the municipal projects into their work schedule, townships have received favorable bid prices.

Contracting a portion of the annual tree projects would significantly reduce the workload of the tree crew and would allow the township to deploy these workers to other needed areas or to reduce the work force. If contracting tree services is viable, the remaining shade tree employees would still respond to shade tree emergencies. By contracting tree services, the township may be able to eliminate at least one non-supervisory position in the shade tree division for a savings of approximately \$51,000.

Buildings and Grounds

The building and grounds division is responsible for the maintenance of the public buildings and grounds. The department is staffed by 13 employees and includes a supervisor, an assistant supervisor who is a licensed electrician, three laborers, a light laborer, two building service workers, a maintenance repairer, two public works repairers, a senior repairer and a truck driver.

Most of the grounds work is performed from March to December and consists mostly of field maintenance for the various recreation programs offered in the township. When these figures are applied to the cost of the recreation programs, the fees for each recreation program should be adjusted.

In 1997, the salary and benefits cost of the division was approximately \$614,000 and the other expense cost was approximately \$100,000. There was also approximately \$16,000 in overtime costs. The total cost for the division was \$730,000.

The custodial functions are performed by the two building service workers, the maintenance repairer and the truck driver. These workers are responsible for the town hall, public works building, and the law enforcement complex, which has a total area of approximately 72,000

square feet. The approximate cost for custodial service, including salary and benefits, and supplies, was \$203,000, which equates to \$2.82 per square foot. LGBR uses a private sector benchmark of approximately \$1.00 per square foot to provide high quality custodial work. Thus, the township is spending approximately \$1.82 per square foot or approximately \$13,000 more than the private sector.

The maintenance functions are performed by the assistant supervisor, a public works repairer and a laborer. The maintenance personnel maintain approximately 180,000 square feet of public buildings. The approximate cost of this function including salaries, benefits and supplies is \$176,000 and equates to approximately \$1.02 per square foot. LGBR uses a private sector benchmark of approximately \$0.52 per square foot for maintenance services. Thus, the township is spending approximately \$0.50 per square foot or approximately \$82,000 more than the private sector.

The grounds functions are performed by the supervisor, a public works repairer, two DPW laborers, two groundskeepers and a laborer from the recreation department. These workers maintain all municipally-owned property totaling approximately 71 acres. The team added 10% to the total acreage to accurately account for the grass areas surrounding the public buildings. This increased the total area to 78 acres or 3,089,920 square feet. The approximate cost including salaries, benefits and supplies was \$280,000 or approximately \$0.10 per square foot, which is competitive with private market rates.

Recommendation:

It is recommended the township consider bidding portions of its shade tree work and buildings and grounds work to private contractors.

If contracting these services is successful, the township should then consider combining the buildings and grounds division and the shade tree division.

By combining these units, the township could eliminate one supervisor and one assistant supervisor position worth \$134,216.

By contracting custodial functions and the maintenance functions, the township would be able to eliminate seven positions within the custodial and maintenance functions and should save approximately \$213,000, based upon the comparisons to current market rates.

By contracting tree services, the township should be able to eliminate at least one non-supervisory position in the shade tree division for a savings of approximately \$51,000.

Cost Savings: \$398,216

Recycling

The township operates a recycling center staffed by a part-time recycling coordinator and two laborers.

In 1997, the salary and benefits cost for the recycling center was approximately \$168,000. Other expenses were \$8,950 and overtime costs were approximately \$8,000. The total cost for the recycling center was approximately \$184,950.

The recycling center also has a compost facility which allows the township to dispose of its leaves without additional disposal fees. The market cost for leaf disposal is approximately \$4 per compacted cubic yard. Thus, it is estimated the township was able to save approximately \$44,000 in disposal costs.

The township is commended for its cost-effective recycling operation.

Sick Leave Usage

A review of the 1997 sick leave usage showed 22% of the DPW work force used more than 10 sick days per year in 1997. In 1996, the figure was 47% and, in 1995, it was 42%. Although sick leave usage was reduced in 1997, the 22% is still high. This results in an average of \$200,000 in lost productivity.

Recommendation:

It is recommended the township closely monitor DPW sick leave usage for abuse and attempts to reduce the number of employees regularly using 10 or more days each year.

PLANNING AND DEVELOPMENT

The planning and development department consists of the planning, construction code enforcement, and the zoning enforcement and housing divisions. Each division, while maintaining a specific function within the department, works collectively to manage the physical, economic, and social growth of the township.

Organization

The department is organized into three divisions that include planning, code enforcement, and zoning enforcement and property maintenance and housing.

The planning director, a licensed planner and registered architect, heads and supervises the entire department. The director has direct supervision of the planning division. There are division directors who supervise the code enforcement division and the zoning and property maintenance and the housing division.

The code enforcement division is headed by a licensed construction official, who supervises a staff of three full-time employees and four part-time employees.

The zoning, property maintenance and housing division is headed by the zoning official and two field representatives, who perform property maintenance inspections.

The department also contracts the part-time legal services of a planning board attorney, a zoning board attorney and a public advocate.

Staffing

At the time of our review, there were 17 staff members in the entire department. In 1999, the township moved a full-time clerk typist from this department to the fire department and replaced the clerk typist with a part-time clerk who receives no health benefits.

Planning

There are six full-time positions in the planning division including the director. The remaining five positions include two principal clerk typists, one field representative for neighborhood preservation, one housing assistance technician and one clerk typist.

The planning division also provides staff for the township's various boards and commissions. These include the planning board, the zoning board of adjustment, the construction board of appeals, the rent leveling board, the environmental commission, the historic preservation commission and the Main Street Development Corporation. The planning director also serves as the lead staff person for the environmental commission and historic preservation commission. Other clerical staff serve as secretaries to some boards and commissions primarily to take minutes of meetings.

Code Enforcement

The full-time staff include the division director, who is a licensed construction official/plumbing subcode official, one building subcode official, one electrical subcode official and one principal clerk typist. The part-time staff includes one plumbing subcode official, one fire prevention official, one building subcode official and a clerk.

There are private vendors, who supply licensed inspectors for various subcode functions, such as plumbing and electrical. Often these inspections are not funded through taxpayer dollars. The property owner pays the fees for these inspections.

Recommendation:

It is recommended the township consider contracting for some subcode functions, especially part-time functions, when vacancies in these positions occur.

The construction official also serves on a part-time basis as the construction official in the Township of Verona and has a separate private agreement with this municipality. That is, there are no formal agreements or interlocal agreements between the West Orange and Verona. This work is done outside of West Orange working hours.

If the township were to formalize this shared service as an interlocal agreement, the township would benefit by improving its eligibility for state funds under the recently passed Regional Efficiency Aid Program (REAP). The program, which was outlined in the Property Tax Commission report, provides funds to municipalities and school districts that engage in joint service programs.

Recommendation:

It is recommended the township consider formalizing the shared service of the construction official by adopting interlocal service agreements with West Orange and Verona.

Zoning, Property Maintenance & Housing

The zoning, property maintenance and housing division has three full-time positions which include the zoning official and two field representatives for property maintenance.

Functions:

The department has primary responsibility for preparation of the township master plan, monitoring all construction projects, enforcing appropriate building codes, reviewing applications for zoning changes, enforcing property maintenance codes and implementing various housing and community development projects. The Main Street Development Corporation, which has recently evolved into a Special Improvement District (SID) is also under the planning department.

This department also provides housing assistance to qualified residents under the federal rental assistance program and is pursuing a number of initiatives to preserve the housing stock and revitalizing older sections of town to comply with the housing plan element and fair share plan contained in the township master plan.

Planning:

The planning division is primarily responsible for preparation and updating of the township master plan, review of site plans for development, controlling subdivisions and conditional use applications. This division is also responsible for compliance with Council on Affordable Housing (COAH) regulations, development of planning studies, census work, zoning ordinance revision, the Main Street Development Corporation/SID, the rent leveling board, the rental assistance program and the housing assistance program.

This division works with staff, residents and developers to resolve issues concerning the master plan, site plan and subdivision concerns. The planning division also has direct supervision over the rental assistance program, construction code enforcement, zoning, property maintenance and housing/community development services.

The director also coordinates and oversees the budgets of the environmental commission and the historical preservation commission.

Code Enforcement:

The code enforcement division is headed by a licensed construction official who supervises a staff of three full-time employees and four part-time employees.

This division is responsible for enforcing the state and local building codes, reviewing all building construction applications, and issuing all building permits and certificates of occupancy (CO). The division also conducts inspections and certifies residential and commercial properties for continuing occupancy.

Zoning

This division is responsible for enforcing zoning laws, property maintenance codes, multiple dwelling housing inspections, fire prevention inspections, and day care inspections.

Financial

In 1997, the total salary and benefit costs for the entire department was \$768,131. Salary and benefit costs for the planning division, code enforcement division and zoning division were \$286,735, \$300,624 and \$180,772, respectively.

Other expenses for the entire department totaled \$120,269 in 1997. Approximately \$100,000 of other expenses were from code enforcement activities. An analysis of expenditures for the different divisions is located in Appendix E.

According to figures from the Department of Community Affairs (DCA), the township has had a significant increase in Uniform Construction Code (UCC) revenue over the last two years. After operating at a deficit in 1995 and 1996, there was a profit margin of 76% in 1997 and 37% in 1998. DCA monitors these revenues and expenditures.

Work Flow Analysis

The planning and development department processes applications and collects fees for various purposes. Township officials expressed concern regarding the flow of the various applications received by the department. There is concern that applications may not be forwarded into the appropriate hands in a timely manner once they are received by the department.

Once received, most applications are processed by one of the three divisions. Sometimes, due to the nature of an application, more than one of the divisions may have to process it as there may be an overlapping into the jurisdiction of one of the other divisions.

Under current procedures, all applications are taken by the code enforcement division, reviewed and forwarded to the appropriate division(s.) The department's staff has experienced occasional problems where an application has not been forwarded to the appropriate division in a timely manner.

Training all clerical staff to identify which division within the department should receive an application and setting up a standard operating procedure for routing applications should alleviate this problem. A routing slip and a tracking log of all applications should be developed and maintained to identify where an application is at any time during the review process.

The township should also investigate software capable of routing and tracking applications. The estimated cost of a software system is \$7,000.

Recommendation:

It is recommended the township set up a standard operating procedure for routing and processing applications. A software package may be an efficient alternative to a manual tracking system. It is also recommended the township train all clerical staff to identify which division within the department should receive an application.

One-time Value Added Expense: \$7,000

Cameras

Township officials feel that the current practice of using photographs to document notices and summonses could be more efficiently done using digital cameras. The department currently has one digital camera. Planning staff feels the digital camera has been beneficial and feels that the department could use another one.

The current cost for a digital camera is approximately \$500. The department spends approximately \$3,000 - \$4,000 each year for photographic expenses, primarily for film and developing costs, which would be eliminated or reduced as the township would obtain prints of pictures using its personal computers and color laser printer. The primary expense would be for the photographic paper for the laser printer.

While there might be a slight reduction in developing costs, there would be a dramatic productivity enhancement as the township would have the needed pictures immediately following an inspection. There would be little or no wait for photo processing.

Recommendation:

It is recommended the township purchase another digital camera which is often needed for inspections.

One-time Value Added Expense: \$500

Multiple Dwelling Inspections

The department has been participating in the State/Local Cooperation Housing Inspection Program, commonly referred to as SLCHIP. Under this program, municipalities inspect multi-family units once every five years to ensure compliance with applicable state statutes. The

inspections standards include fire, structural, mechanical, plumbing and electrical safety, lighting and ventilation, and other issues. Municipalities provide this service on behalf of the NJ Department of Community Affairs.

In 1997 and 1998, the township inspected 1,317 and 782 dwelling units, respectively. In 1997, the township received \$10,206 in revenue from the state. These inspections accounted for approximately 30% and 17% of all inspections in 1997 and 1998, respectively. The estimated total salary and benefits cost for these inspections was approximately \$27,931 in 1997 and \$49,290 in 1998. Based upon these figures, participating in the SLCHLIP program is not cost-effective.

Some municipalities require that rental units be registered and inspected annually. The Township of West Orange requires some rental units to be licensed for a \$25 - \$75 fee. These include nursing homes, boarding homes and house or apartment units with sleeping accommodations for four or more. The township should consider establishing an annual registration and inspection program for all rental units.

The implementation and enforcement of a rental registration and inspection program would have immediate effects on housing within the township. The condition of rental units have a measurable effect on the housing stock and property values of a municipality.

According to census figures, the township has approximately 4,500 occupied rental units. Based upon a rental and inspection fee of \$25, the township could realize approximately \$112,500 in revenue, which should be sufficient to hire one or two additional inspectors needed for the additional inspections.

Recommendation:

It is recommended the township consider withdrawing from the SLCHIP program and establishing an annual registration and inspection program for all rental units.

Planning Board Attorney

The township has retained the planning board attorney for approximately nine years. The annual retainer is \$3,500 per year. The attorney is compensated at a rate of approximately \$80 per hour for work beyond the attendance of regular meetings and normal work.

Recommendation:

It is suggested that the planning board solicit RFP's from interested law firms every two or three years to ensure that legal services and rates are competitive and appropriate. According to N.J.S.A. 40A:11-15, contracts for professional services, such as legal services, cannot be made for periods of more than 12 consecutive months.

Zoning Board Attorney

The township has retained the zoning board attorney for approximately five years. The annual retainer is \$3,500 per year. The attorney is compensated at a rate of approximately \$80 per hour for work beyond the attendance of regular meetings and normal work.

Recommendation:

It is suggested that the zoning board solicit RFP's from interested law firms every two or three years to ensure that legal services and rates are competitive and appropriate. According to N.J.S.A. 40A:11-15, contracts for professional services, such as legal services, cannot be made for periods of more than 12 consecutive months.

Public Advocates

The public advocates represent and advocate the public interest concerning planning board and zoning board applications with substantial public importance and do not in any manner operate under the discretion of the township council. The positions were created in 1988.

The current public advocate for the planning board has been retained by the township since 1996 and the current public advocate for the zoning board has been retained since 1994. Each public advocate attends board meetings and receives an annual retainer of \$1,750.

While the public advocate position serves the public interest, it is not a mandatory position. The planning board and zoning board have the ability to retain independent consultants regarding the public interest, as needed.

Recommendation:

It is recommended that township consider eliminating the public advocate positions as they are not mandatory.

Cost Savings: \$3,500

Main Street Development Corporation/SID

The Main Street Development Corporation was created in 1989 to revitalize the downtown area of the township. In 1998, the township created a special improvement district for four areas of the township, including the main street area. Thus, the Main Street Development Corporation has evolved into the SID.

In 1997, the corporation had an operating budget of \$10,000 and spent \$9,987. This cost does not include the salary of the executive director at more than \$30,000, which is included as part of the cost of the division of planning. This change in status would result in a reduction in costs to the township of an estimated \$45,000 in salaries and benefits of two positions which will now be funded through the assessments from commercial property owners.

The operations of the SID will be primarily financed by special assessments to property owners in the four areas of the SID. Other funds will come from the township, fund raising activity, and bank interest. The annual budget will be approximately \$200,000.

Farmers' Market

In 1997, the township established a farmers' market, which operates from June through October each year. The township benefits because it provides consumers with access to fresh, high quality produce and attracts business activity to the downtown area. The township receives fees from vendors participating in the farmers' market. This money is used to offset the operational expenses, such as advertisements, for the farmers' market.

The township is commended for its commitment to attracting business activity to the downtown area.

Affinity Credit Card

In 1997, the Main Street Development Corporation entered into an agreement with United National Bank to issue a Township of West Orange affinity Visa credit card. A percentage of all purchases with the card goes to the Main Street Development Corporation and the West Orange First Aid Squad. The township receives approximately \$4,000 to \$5,000 annually from this venture.

In 1997, the township entered into an affinity agreement with a long distance communications vendor. Unfortunately, this venture was not as successful as the affinity credit card and was discontinued.

The township is commended for pursuing innovative revenue opportunities.

Fee Analysis

Due to its varied scope and responsibilities, the department generates a considerable amount of fees. In 1997, the department generated \$767,605 in fees. This represents an increase of \$229,000 more than was collected in the previous year. The department also collected another \$404,315 in developer fees. These fees when compared to the operating costs of the department are sufficient to cover the costs of the entire department. The following provides a recent history of fees generated by the department:

Fee Category	1996	1997	1998
Code Enforcement Division	\$312,357	\$605,974	\$485,027
Planning Division			
- Planning Board	\$27,554	\$20,569	\$39,421
- Garage Sale Permits	\$4,034	\$4,558	
- Copies, Reference Materials, Maps	N/A	\$2,960	
- Farmers' Market	N/A	\$1,270	
- Admin Fee for Section 8	\$91,213	\$90,361	
- Admin Fee for Portable Certificates	\$11,044	\$10,118	
Subtotal	\$133,845	\$129,836	\$39,421
Zoning, Property Maint. & Housing Division			
- Zoning Board Applications	\$43,483	\$15,614	\$46,893
- State Inspections	\$12,932	\$10,206	
- Zoning Violation Fines	\$21,000	\$5,000	
- Property Maintenance Violations	\$11,900	N/A	
- Certificates of Habitability	\$2,550	\$975	
Subtotal	\$91,865	\$31,795	\$46,893
<u>Total Unrestricted Fees</u>	\$538,067	\$767,605	\$571,341
Miscellaneous Fees			
- Developers Fee	\$78,944	\$345,441	\$628,721
- Developers Escrow Fund	\$124,133	\$58,874	\$90,801
<u>Total Restricted Fees</u>	\$203,077	\$404,315	\$719,522
GRAND TOTALS	\$741,144	\$1,171,920	\$1,290,863

The unrestricted fees are used to offset operating costs. The restricted UCC fees are regulated by state statute. The developers fee is an amount charged to a developer for the production of low and moderate income housing. The amounts detailed above represent a build up of this fund over a three-year period from developer contributions. Under the current ordinance, the developers fee is supposed to be collected by the township engineer. However, the planning department collects most of these fees since they usually have more contact with the developers.

Recommendation:

It is recommended the township revise the current ordinance to authorize the planning department to collect the developer fee, in accordance with current practice.

HEALTH AND WELFARE

The health department is a multi-functional operation providing many services to the township and region. These services include vital statistics, environmental health, maternal, child and adult health services, and other elective services.

Organizational Structure/Staffing

Under the department of health and welfare, there are two divisions, welfare and health. There are five subdivisions within the health division including administration, environmental, dental clinic, nursing and transportation.

There are 35 employees, including 13 part-time positions, in the entire department. These positions include a health officer, an assistant health officer, a welfare director/social worker, an administrative secretary, a health educator, sanitary inspectors, animal control officers, a kennel attendant, bus drivers, a bus dispatcher/driver, a dental coordinator, dentists, a nursing supervisor, public health nurses, graduate nurses, a nutritionist, public health physicians, podiatrists, an eye doctor and clerk typists. At the time of our review, one position was on leave and one position was vacant.

The department is headed by the health officer/registrar, who serves as the director of health and welfare. This position is responsible for the administration of all health services and compliance with state and federal regulations in all divisions. In addition, the director administers a number of public health and professional contracts and has supervisory responsibility over the municipal welfare program and the garbage collection contract.

There is also an assistant health officer, who assists the director with day-to-day operations and supervises the environmental division. Other duties include coordination of the right-to-know program and reviewing and developing new ordinances. The assistant health officer was previously a senior sanitary inspector for the township.

Administration

Within the division of administration there are five positions, the health officer, the assistant health officer, a health educator, an administrative secretary/deputy registrar and a clerk typist.

This division is responsible for oversight of all services to ensure compliance with all state and federal regulations, participation in the annual budget process, maintaining personnel records for department employees and maintaining township vital statistics.

The deputy registrar and clerk typist positions maintain the accounting of revenue received from various programs.

The health educator position is responsible for developing and implementing health programs, consultation and in-service training for bloodborne pathogens and PEOSHA and promoting programs through news releases, cable television, brochures and posters.

While the health educator has a distinct role, it appears to overlap with functions done by the nursing division. Some functions could be restructured to allow the health educator to assist with some functions of the administrative division. This division and its employees appear to have a significant workload.

Recommendation:

It is recommended functions within the department be evaluated and restructured in an effort to share the current workload of the administration division among its existing employees.

Financial

In 1997, the total salary and benefit cost for the entire department was approximately \$1,377,199. Other expenses were approximately \$2,359,191 including \$2,283,237 for the garbage and trash removal contract. The total cost for the department was approximately \$3,736,390. The health and welfare department budget accounts for approximately 9% of the municipal budget.

Revenue:

In 1997, the health department generated \$142,315 in revenue from many different sources including the issuance of licenses, fees, and certificates, conducting inspections, assessing fines and receiving donations.

Below is a chart summarizing the various revenue categories, which offset some of the services. Animal control revenue includes licensing, adoption, and redemption fees of cats and dogs. Program contributions include donations by users of senior dental services, senior health services, and transportation services. Nursing services reimbursements are from the board of education for child health programs.

Licenses (not including dog/cat licenses)	\$44,866
Fees and Permits	\$13,066
Animal Control (including dog/cat licenses)	\$28,507
Program Contributions	\$12,746
Nursing Services Reimbursement	\$25,682
Medicare/Medicaid Reimbursement	\$8,178
Minors' Tobacco Program	\$5,000
Essex Fells Interlocal	\$4,270
Total	\$142,315

The health department also generated \$77,000 in revenue collected by the municipal court. This money involves an interlocal agreement with the Essex County Regional Health Commission and is explained later in this section.

In 1997, the health department also received \$87,724 in grant money. \$40,724 was received from the State for Public Health Priority funding. The Essex County Office on Aging funded \$4,000 for the senior citizen intervention program, \$23,000 for the senior dental program, and \$20,000 for a senior citizen nurse.

Overall, the township generated \$307,039 including grants and municipal court revenue. This revenue offset approximately 21% of the health department costs excluding the garbage collection contract costs.

Recommendation:

While most of the department's fees have been revised over the past few years, it is recommended the township continue to review the fees for its services in relation to the cost to provide these services. Several programs are partially self-sustaining, while many others could also be partially self-sustaining. The township may want to establish a self-sustaining ratio for all or certain programs.

Senior Dental Clinic

The township operates a dental clinic, which acts as a regional facility providing dental services to county senior citizens. The clinic provided services to 178 clients, 70% of whom are West Orange residents.

The clinic is staffed with three part-time employees including a supervising dentist, a public health dentist and a dental coordinator. The supervising dentist is responsible for the smooth operation of the clinic and for performing general dentist services. The public health dentist also performs general dental services and the dental coordinator is responsible for scheduling, timekeeping, bookkeeping, ordering supplies, screening and filing insurance claims.

In 1997, the salary and benefit cost for the dental staff was approximately \$52,952. Other expenses were budgeted at \$4,900. All dental staff were paid through the township payroll, and received social security and Medicare benefits. The supervising dentist also received health benefits.

In 1997, the supervising dentist received a salary of \$22,987 and social security, Medicare and health benefits totaling \$10,117. The public health dentist received social security and Medicare benefits worth \$597.

In 1997, the clinic was partially supported by a \$23,000 grant from the county office on aging and also received \$7,765 in contributions. The net cost for providing dental services was approximately \$27,087 for 1997.

Recommendation:

It is recommended the township treat its dentists as contracted professionals and consider the elimination of social security, Medicare, and health benefits. Like all contracted professionals, the dentists should be paid through a voucher system rather than through the payroll. A contract clearly delineating services and fees should also be executed.

Cost Savings: \$10,714

Environmental Services

The environmental services division provides two main functions, sanitary inspections and animal control.

The sanitary inspection office is authorized to have three full-time inspectors. The inspectors are responsible for enforcing state and local environmental health laws. At the time of our review, one of these positions was vacant.

In 1997, the salary and benefit cost for the environmental staff was approximately \$184,086. Other expenses are embedded in the general health services budget.

This office also operates a program involving the sale of tobacco to minors. This program which generated \$5,000 in revenue in 1997 was discontinued after the resignation of one of the inspectors in July, 1998. The department is seeking to fill the vacant sanitary inspector position in order to keep pace with the current workload.

Using methodology developed by the state department of health, it has been determined that the department will require approximately 2.8 sanitary inspectors to maintain the current workload.

The township has replaced the vacant sanitary inspector position with a part-time inspector who works 14 hours per week. The township should monitor the workload and determine if a full-time inspector is necessary. LGBR believes that the township can function with the current number of inspectors. If a small backlog of inspections occurs, the assistant health officer and the health officer are capable of doing some inspections.

Recommendation:

The township is commended for its decision to hire a part-time sanitary inspector and should continue to monitor the inspectors' workloads closely.

Animal Control:

The animal control office is staffed with two full-time animal control officers (ACOs) and one part-time kennel attendant.

The ACOs' have primary responsibility for licensing and controlling the township dog and cat population and maintaining the township-owned animal control facility. The majority of the ACOs time is spent patrolling the township for stray animals and maintaining the animal control

facility. The part-time attendant maintains the facility on Sundays and holidays, when the animal control officers are off duty.

During the first quarter of the year, the majority of staff time involves dog and cat license renewal. In 1997, 2,179 dogs and 328 cats were licensed. In addition, 165 dogs and 147 cats were impounded with 138 of the dogs and 104 of the cats redeemed by their owners or adopted by new owners.

The American Veterinary Medical Association – Center for Information Management reports that nationally 28% of households own one or more dogs. Those households own, on average, 1.5 dogs. Using this formula, with approximately 15,000 housing units, the township should have approximately 6,300 dogs.

According to N.J.S.A. 4:19-15.15, the chief of police or other employee designated by the governing body shall cause a dog canvass to be conducted every two years. The township conducts a partial dog canvass each year. The canvass involves follow-up on unrenewed licenses, complaints received, and a random sampling of households in the township.

The Borough of Bound Brook uses volunteer senior citizens to conduct its biennial dog canvass. West Orange has a large and active senior population and may be able to implement a similar program. While the size, population, and geography of West Orange make dog canvassing a larger task, it is a program which could be worthwhile.

Assuming 3,000 additional dogs are licensed after a canvass, the township would realize an additional \$24,000 in dog license revenue, based upon an \$8 license and registration fee.

The salary and benefit cost for the animal control officers is \$90,441. Other expenses were \$4,117. These items are funded in the current fund under the animal control division.

Additional funding is provided in the animal control trust fund and includes another \$19,500 in appropriations to assist with the animal shelter operations. The cost for the kennel attendant was \$3,012, funded through the trust account. These expenditures are offset by the dog and cat licensing fees. In 1997, revenue from licensing fees and kennel redemption fees were \$28,507 and expenditures were \$19,227 creating a surplus in the trust fund of \$9,280.

Adding the animal control accounts in the current fund and trust fund shows a total of \$113,785 in animal control expenditures and \$28,507 in total revenues, for a net cost of \$85,278.

Recommendation:

It is recommended the township implement a full-scale biennial dog canvassing program, in compliance with state statutes, possibly using volunteer senior citizens. By licensing an additional 3,000 dogs, approximately \$24,000 in additional revenue would be realized.

Revenue Enhancement: \$24,000

Nursing Division

The nursing division provides various medical services and programs to children, adults, and senior citizens through various clinics. Below is a chart, which shows the various services and programs offered and the number of participants.

Senior Care Program	Participants
Nursing Assessments	3,538
Social Services	200
Podiatry	718
Ophthalmology	270
Cancer Screening	226
Hearing	49
Subtotal	5,001
 Child Care Program	
Pre-School Vision Evaluations	49
Hearing	15
Prenatal Care	3,160
Immunization Audits	62
School Health	1,396
Subtotal	4,682
 TOTAL	 9,683

The nursing staff also coordinates with the sanitary inspectors in the investigation of communicable diseases. The township has contracted with the hospital center of Orange to provide a chest clinic for low-income residents. The nursing staff is also responsible for coordinating these services for township residents.

The nursing division has an authorized staff of six full-time and eight part-time positions. The full-time positions include a nursing supervisor, two public health nurses, two community health nurses and a clerk typist. The part-time positions include a social worker, a program nutritionist, and six physicians. The physicians include public health physicians, an eye doctor, and podiatrists.

At the time of our review, one of the public health nurses and the program nutritionist positions were vacant.

In 1997, the salary and benefit cost for the nursing division was approximately \$394,735 and approximately \$28,571 of the health department's other expenses can be attributed to the various clinics and services performed by the nursing division. Other nursing division expenses are embedded in other accounts within the department and are difficult to determine.

Podiatry Clinic

In 1997, the salary and benefit cost for the podiatry clinic was approximately \$10,737. Other expenses were \$3,494. The township received \$8,178 in Medicaid/Medicare reimbursement to offset the costs of the podiatry clinic.

The public health physicians, podiatrists and eye doctors used for clinics and programs are paid through the township payroll and receive benefits. In 1997, the cost of these benefits was approximately \$1,738.

Recommendation:

It is recommended that the township treat all physicians as contracted professionals and consider the elimination of social security, Medicare, and health benefits. Like all contracted professionals, the physicians should be paid through a voucher system rather than through the payroll. A contract clearly delineating services and fees should also be executed.

Cost Savings: \$1,738

The township is required by State law to meet the Minimum Standards of Performance (N.J.A.C. 8:52-1.1 et. seq.) in providing health services and programs to township residents. The minimum standards encompass the following areas:

- **Administration** - includes administrative services, health promotion, public health nursing, and elective emergency medical services;
- **Environmental Health** - includes recreational bathing, camp grounds, youth camps, food surveillance, occupational health, public health nuisance, and elective institutional health;
- **Communicable Disease** - includes acute communicable disease, immunizations, rabies and zoonosis control, tuberculosis control, and sexually transmitted disease;
- **Maternal and Child Health** - includes infants and preschool children, child lead poisoning, improved pregnancy outcome, elective ambulatory health care for children, elective children's dental health, elective family planning, elective obstetrics, and elective school health; and
- **Chronic Illness/Adult Health Services** - includes cancer services, diabetes services, cardiovascular disease services, health services for older adults, elective alcoholism control, elective ambulatory medical care, elective drug abuse control, elective nutrition, elective adult dental health, elective vision, hearing, and speech programs, and elective home health care.

The nursing division provides many valuable health services to its residents and to area residents. Some of these services are mandated, while other services are elective. It is suggested the township review all elective health services and determine their necessity based upon type of service and number of participants. By eliminating some elective services, the township would be able to reduce its operational and personnel costs.

Transportation

The transportation division provides transport services to township residents, particularly senior citizens, mentally challenged and disabled residents. These services, while valuable to its users, are not essential or mandated services.

On several occasions, the township has evaluated the need for these services. Each time, senior citizens were mobilized and strongly voiced their need for these services. While it is clear these services are not mandatory, it is also clear that the seniors are a significant segment of the township's population. According to census figures, nearly one-fifth of West Orange's population is 65 years old or over.

Staffing

The transportation division has six full-time positions. There are five omnibus driver positions and one dispatcher/senior bus driver, who schedules all busing activities, assigns staff and supervises the maintenance of the vehicles.

Services

There are a variety of transportation routes, some of which are regular scheduled trips and others are on-demand trips. Most trips have door-to-door pick up and drop off. The trips are prioritized into three tiers with medical-related trips given the top priority and social-related trips given the lowest priority. These routes and destinations include:

- Supermarket shopping for senior citizens (four days per week).
- Social clubs and meetings for senior citizens (weekly and monthly).
- Occupational/rehabilitation sites for mentally challenged (five days per week).
- Doctor, health clinics, and dialysis visits for senior citizens (by appointment).
- Nutrition center for senior citizens (three days per week).
- Miscellaneous visits to bank, barber, beauty parlor, library, friends, and other destinations for senior citizens (by appointment as schedule permits).
- Before and after school program, which transports children, enrolled at the Community House from the Community House to school in the morning and back at the end of the day.
- Special occasion transportation for events such as senior citizen holiday parties and picnics, St. Patrick's Parade marchers, recreation department senior events, and other special events.
- Summer shuttle program, which loops around town for all residents age twelve and older (9 a.m. to 4 p.m. daily in July and August).
- Emergency evacuations when needed.

Equipment

The township utilizes six buses and two station wagons for transportation operations. Two of the buses are designated as handicapped vehicles. According to township documents, the fleet has a value of approximately \$270,000. The township usually purchases a vehicle every year or two. Over the last few years, the purchase costs ranged from \$35,000 to \$55,000. While the township has purchased most of the vehicles, one year a vehicle was funded by the county and another year a vehicle was bought with Medicaid funds.

Statistics

According to 1997 statistics, there were 15,395 total round trips dispatched. This reflects the number of destinations and returns regardless of the number of persons transported. The number of persons served in 1997 were 37,654. Based upon this information, each trip averaged 2.4 riders per trip. While this figure appears to be low, the team observed several trips close to full bus capacity. Some trips can be for one person such as appointments for wheel chair residents or dialysis visits.

Below is a chart outlining the ridership for the various type of trips.

	Riders	%
Shopping/Supermarket	11,611	30.7%
Occupational/Rehab Sites	5,339	14.1%
Nutrition Center	4,768	12.6%
Doctor/Medical Visits	4,524	12.0%
Before and After School Program	3,851	10.2%
Miscellaneous Bank, Barber, Library & Friend Visits	3,207	8.5%
Social Clubs/Meetings	2,689	7.1%
Summer Shuttle	819	2.2%
Health Clinic	764	2.0%
Wheel Chair Transportation	249	0.7%
TOTAL	37,821	100.0%

Financial

In 1997, the transportation division had a salary and benefit cost of \$220,702 and operating expenses of \$629 for a total cost of \$221,428. According to township documents, approximately \$17,000 was also spent on fleet maintenance and gasoline. These items are located in the DPW budget. The total cost for the transportation division was approximately \$238,331.

Based upon the above statistics, the average cost per trip was approximately \$15.50. This figure is an operational cost and does not include the capital costs for equipment.

In past years, the township was able to offset some of the transportation costs with Medicaid reimbursements for seniors being transported to the township health clinic. This no longer covered by Medicaid.

Analysis

It is suggested the township consider covering 50% of the transportation costs through user fees and other revenue similar to recreation programs. Like the recreation programs, the transportation services are a popular, non-mandated program used by only a portion of the community.

The township has implemented an advertising program, which sells advertising space on its buses. The township expects to raise \$25,000 each year.

The township is commended for implementing advertising programs to offset the costs of services and is encouraged to explore other revenue producing programs.

The township could use some, all, or a combination of the alternatives below to reach the 50% cost threshold.

Alternative 1: Evaluate All Services

Many of the transportation routes involve medical needs, and the fixed routes to the supermarket provide many seniors with their only way to obtain basic food and supplies. There are other transportation trips which provide taxi-like service to appointments such as the beauty parlor, bank, and friends. The average of 2.4 riders per round trip appears to be low and warrants review of all services. Based upon the average trip cost of approximately \$15.50, it might even be cheaper for the township to hire local taxi services for certain trips. A few years ago, the township investigated hiring local taxi services for some trips, but it was not feasible at that time. The township should consider revisiting this option.

In 1997, the summer shuttle averaged 12-14 riders per day and had three trips or loops per day. Thus, the summer shuttle averaged approximately 4 riders per trip. Due to low ridership, LGBR felt the township should eliminate its summer shuttle program. In 1999, the township disbanded this program.

The township is commended for reviewing its transportation operations and it is suggested the township continue to review all services and determine their necessity based upon type of trip and number of riders. By eliminating some trips, the township may be able to reduce the fleet size and personnel costs.

Alternative 2: Evaluate Joint Transportation Services

After identifying all necessary transportation routes and their cost, the township should consider a joint transportation venture with the board of education. By sharing drivers and vehicles, the township and the school may be able to reduce transportation costs.

The township and school board should also consider contracting for transportation services jointly. The township should develop bid specifications and solicit bids from private contractors. If the bid prices are favorable, the township should outsource the transportation operations. While it is difficult to project savings, the township should, at the very least, save the benefit costs for its six employees, which is approximately \$47,000.

The township should also consider bidding its transportation needs with the school district's bus bid. By packaging both transportation programs together, there may be a significant cost reduction for both entities.

Alternative 3: Grant Funding

There are a number of transportation grants which fund municipal transportation programs. The township's health staff has been diligent in pursuing available funds and recently received a grant from NJ Transit to operate a shuttle bus service to the commuter rail station in South Orange.

The township is commended for pursuing transportation grants and should continue to actively pursue alternative funding sources. The township has contracted for the services

of a professional grantsperson. It is suggested the grantsperson identify and apply for all potential funds.

Alternative 4: Contributions

Many riders on the various routes contribute a nominal fee, usually \$0.25, for each trip. The township realizes approximately \$2,500 to \$3,000 each year from these contributions. The township should consider a suggested contribution of \$1 per ride. According to township documents, there were over 37,000 riders in 1997. Based upon this information, this would raise \$74,000 in funds to offset transportation costs.

While many of the riders are senior citizens on a fixed income, \$1 for each ride is still a very reasonable contribution for the service. The township reports that residents who use its transportation program, ride approximately three times per week. Thus, it would cost the average rider approximately \$6 per week.

The township should consider soliciting donations from the commercial destinations of the transportation routes such as the supermarkets, shopping centers, doctors' offices, and occupational centers. These businesses gain a direct and significant benefit from the township's transportation services. The local chamber of commerce might be helpful with a partnership. It is suggested the township attorney review any donation arrangements for compliance with applicable regulations.

Recommendation:

It is recommended the township thoroughly evaluate its transportation operations and explore all recommended alternatives in an effort to cover 50% of its transportation program costs. It is suggested fleet maintenance costs for the buses be included in the cost assessments. If half of the transportation costs were covered by fees and other revenues, there would be a revenue enhancement of approximately \$119,165.

Revenue Enhancement: \$119,165

Welfare/Public Assistance

The welfare office is staffed with two part-time employees, a clerk typist and the director. The director also serves as the social worker for the township's health clinic. In 1997, the salary and benefits costs for the welfare staff was approximately \$45,224. Health benefits costs for the director, which are approximately \$6,800, are not included in this figure. Operating expenses were \$5,576. The total welfare costs were \$57,600.

From July, 1997 to June, 1998, an average of 53 clients received welfare services. According to the welfare director, caseloads are expected to decline due to Supplemental Social Security Income.

Work First New Jersey regulations allow each municipality to continue to administer and fund administration of the General Assistance Program or to transfer administration of the program and the cost of administration to the county welfare agency. The township council passed a

resolution to retain its welfare services, based, in part, upon a study and recommendation done by a council member.

Recommendation:

It is recommended the township reconsider its decision to maintain its own welfare program and transfer the welfare program to the county. The township would not save on the welfare director's health benefits cost since she would still work as the part-time social worker.

Cost Savings: \$50,800

Garbage Collection

The health department coordinates refuse collection activities for the township. The township contracts for garbage and trash removal services and currently has a three-year contract which ends in September, 2000. Under this contract, the township will receive an estimated \$1 million in savings over a three-year period in comparison to the previous contract. This savings does not include any savings resulting from recent court decisions that have effectively reduced the tipping fees for refuse disposal.

In 1997, the average monthly tipping fee was \$71.96 per month for regular garbage and \$108.06 per month for bulk waste. The cost of garbage and trash removal represents 70% of the entire health department budget in 1997.

The department is responsible for monitoring the garbage collection process and responding to all citizen complaints concerning collection. The department staff indicated that a considerable portion of staff time was spent addressing garbage collection questions and complaints.

Interlocal Services

There are also a number of contracted services that are managed by the department. These services include agreements with the Borough of Essex Fells, the East Orange Health Department, and the Essex County Regional Health Commission.

Under the contract with the Borough of Essex Fells, the West Orange health officer serves as the Essex Fells health officer and does all necessary inspections, prepares reports and attends meetings on behalf of the borough. In 1997, the township received \$4,270 from the borough for these services. Essex Fells has no multiple dwellings and has only one food establishment that requires an annual inspection. The health officer performs these functions for Essex Fells during off-hours.

Under the contract with the East Orange Health Department, all cases of sexually transmitted diseases are referred to East Orange. In 1997, a total of seven cases were referred to the East

Orange Health Department. This arrangement is no longer in effect and the township now refers cases to Orange General Hospital and St. Barnabas Hospital in Livingston for treatment. The nursing staff does all follow-up work.

The township is commended for pursuing interlocal services.

Under a contract with the Essex County Regional Health Commission, West Orange provides pollution control services by serving as a regional environmental court for 14 member municipalities within the county. The commission, at no cost to the township, conducts all enforcement activities and the township has some administrative responsibilities. The environmental court is held twice per month as a special session of the West Orange courts. One of the West Orange judges is specially trained in environmental matters and presides over these court sessions.

Revenue from fines are split between the township, the commission and the municipality where the violation occurred. One half of the revenue goes to the West Orange court, 25% goes to the commission and 25% goes to the municipality in which the violation occurred. In 1997, the municipal court received more than \$77,000 in revenue from this program.

The township is commended for participation in this interlocal arrangement, which has generated significant revenue for the township.

PARKS AND RECREATION

The parks and recreation department is responsible for providing diverse recreational and cultural activities for the children, adults, senior citizens and disabled residents of the township. The department is also responsible for the maintenance of the township's parks and playgrounds. The township has a volunteer Citizen's Advisory Committee, which is appointed by the mayor to advise with recreation programs and activities. The overall operation of the department is adequate in meeting the township's needs.

Staffing

According to the organizational chart received from the department, there are seven permanent full-time employees in the following titles: director, recreation program coordinator, administrative clerk, senior citizen program coordinator, laborer and two groundskeepers.

In addition, the department employs approximately 20 permanent part-time positions in the following capacities: ten site managers, five program coordinators, one recreation supervisor, one secretarial assistant and three park caretakers. There are also approximately 70 part-time seasonal/event employees hired throughout the year.

Financial

In 1997, the total salary and direct benefits cost for the recreation department was \$547,551. Other expenses were \$267,071. The total cost was \$814,622.

Facilities

The township has 11 parks with a wide range of facilities. The following chart shows the parks and their facilities:

Park	Acres	Child Equip	Basketball	Baseball	Tennis	Multi-Purpose Fields
Boland	5	Yes	1	1	0	0
Byrne	1	Yes	0	0	0	0
Club Blvd	.5	Yes	0	0	0	0
Colgate	8	Yes	0	1	2	0
Degnan	10	Yes	1	1	5	0
Jenkins	2	Yes	0	0	0	0
Lafayette	2	Yes	0	1	0	0
Minish	2	Yes	0	0	0	1
O'Connor	27	Yes	1	3	4	2
Rolling Green	.5	No	0	0	2	0
Stagg Field	13	Yes	1	2	4	2
Totals	71	10	4	9	17	5

In addition to the township's baseball/softball fields, the department also utilizes 16 of the board of education's fields. These fields are maintained by the recreation department during the respective seasons. The department takes great pride in the maintenance of the ball fields.

During the seasons, two groundskeepers work seven hours a day, five days a week to maintain the 26 ball fields utilized by the department. Included in their time is the daily collection of debris and litter as well as routine field maintenance. During the rest of the year, the groundskeepers do other grounds maintenance work throughout the township. The parks and recreation labor costs including benefits for field maintenance are approximately \$21,500 based upon the two groundskeepers for 13 weeks of maintenance. The recreation groundskeepers are augmented by the DPW buildings and grounds division. Unfortunately, it is difficult to quantify this amount.

In addition to the labor, approximately \$18,100 is appropriated on materials for field maintenance and approximately \$4,000 in equipment costs for a total cost of \$43,600. It appears these costs are not considered when determining the fees for programs.

On various occasions, LGBR observed several recreation facilities, which were not regularly maintained. While facilities with active athletic leagues or programs were well-maintained, those facilities with more passive recreation programs were in need of regular maintenance. LGBR observed children's apparatus and equipment such as swings in need of repair for several weeks.

In an effort to better utilize personnel, the department should explore the possibility of instituting a league policy regarding team clean-up after games. This would reduce the time spent by the groundskeepers on litter patrol and enable them to better utilize their time for maintenance.

Recommendation:

It is recommended the township maintain a more consistent maintenance schedule for all parks especially those with playground equipment and apparatus. The township should also consider instituting a league policy regarding team clean-up after games.

Programs/Activities

The department offers a wide range of programs and activities for various age groups throughout the township. Programs include:

- acting, singing, dancing, chess, football, wrestling and soccer for children;
- various baseball leagues for children;
- various basketball leagues for children and men;
- various softball leagues for girls, men and women; and
- tennis, track, and various volleyball leagues for men and women.

Registration Record Keeping

The department's registration record keeping for recreational programs offered by the township is manual. The applications are gathered together by program and filed.

The department has been purchasing personal computers for the administrative staff for several years. While the staff is utilizing the equipment, there is room for improvement. For example, computers could be used to create and store participation and fee information.

The township uses a worksheet known as the "Anticipated Cost Analysis" for each program. This worksheet is prepared manually and provides information regarding each program's cost. Automating this worksheet would be quite valuable to the township.

As previously stated, participation lists are not automated and, therefore, it is difficult to retrieve and analyze this information, which could easily be stored in a data base file to produce managerial reports for decision-making.

Recommendation:

It is recommended the township automate its records and information, especially program participation and fees.

Civic Funds

The department contracts with private organizations to provide various recreational services within the township, as follows:

West Orange Community House	\$45,000
Mountain Top League	9,500
Police Athletic League	9,500
West Orange Theater Under the Stars	4,000
Senior Citizens	2,500
West Orange High PTA Project	1,600
First Aid Contingent Fund	1,500
Assoc. Retarded Citizens of Essex County	1,000
Total	\$74,600

These funds help these organizations operate their programs. The Community House operates a daycare for low-income residents, a before and after school program, a teen program and senior bingo, among other programs. The Mountain Top League (MTL) provides soccer, basketball and baseball programs for township youth. The Police Athletic League (PAL) provides baseball, Pop Warner football, and cheerleading programs. The department also provides and maintains the facilities for the MTL. The department provides and maintains practice facilities for the PAL, but the games are played on their own fields.

While these funds help these organizations operate, the township is not mandated to provide these funds. The township should explore other avenues to support these organizations, such as fundraising activities. It appears the department does not actively fundraise as an alternative method to fund some of these programs.

Recommendation:

It is recommended the township review with some neighboring municipalities, their fundraising activities and take a more aggressive approach to fund some of these civic organizations and events by encouraging fundraising activities or sponsorships.

Summer Park Program

One of the largest recreation programs, in terms of both participation and costs, is the Summer Park Program. The program was first established in 1993 and operates for five weeks starting in July.

The program has increased in participation each year since its inception. The program is so popular with the township residents that the department is exploring the possibilities of opening a fifth facility for 1999. The program is very well-operated with age appropriate activities and detailed lessons plans for each grade level at each facility.

The township and the employees operating the program are commended for their efforts.

In addition to the activities at each school, the participants also go to the community pool twice a week and take one field trip during the program. In 1998, the township utilized four of the West Orange Board of Education's schools to operate the program. The following chart illustrates the schools utilized, grade levels, personnel and number of participants at each school:

Schools	Grades	Participants	Site Managers	Teachers	Group Leaders	JR. Counselors	Shadow Counselors	Clean Comm Workers
Hazel	K	128	1	2	7	0	0	2
St. Cloud	1-2	259	1	2	12	3	2	2
Washington	3-4	188	1	2	6	3	1	1
Pleasantdale	5-7	166	1	2	5	1	0	1
Totals		741	4	8	30	7	3	6

The program operates from 9:00 a.m. to 4:00 p.m. Monday through Friday for a total of 27 days. In 1998, the fee was \$115 for residents. This equates to approximately \$4.25 per day for 7 hours of activities, quite a bargain in today's economy.

The following table illustrates the approximate expenditures and revenues during 1998:

FY 98 Summer Park Program Expenditures	
Program Salaries	\$99,600
Associated Administrative Salaries	20,000
Materials/Field Trip Expense	16,000
Bus Expense for Pool	5,400
Pool Expense	2,940
Total Expenses	\$143,940
FY 98 Summer Park Program Revenues	
Fees @ \$115 x 741 participants	\$85,215

Based on the information in the chart above, user fees cover approximately 60% of the summer park costs. While LGBR generally advocates that 50% of recreation program costs be supported with user fees, this is a program which could be self-sustaining due to its immense popularity. The net result of the program is an operating deficit of \$58,725. This deficit could be reduced or eliminated by increasing the fee to approximately \$7.25 per day, or \$195 for the program, which the team feels is still affordable in today's economy and still a bargain.

Based upon the participant numbers in 1998, this increase would result in \$144,495 in fees, approximately \$500 more than operating costs. The township could provide a small subsidy for low-income residents to offset the increased costs for these residents.

There also seems to be a problem recruiting and retaining some upper level staff, which are often teachers, due to the level of pay. There hasn't been a wage increase since the program's inception, forcing the staff to consider better paying job offers. This problem could be solved by a small wage increase.

Recommendation:

It is recommended the township consider increasing the fee for the summer park program to make the program self-sustaining. The township may also want to consider providing a small wage increase for senior staff.

Revenue Enhancement: \$59,280

Fees

LGBR, in past reports, has used a standard for municipalities to cover 50% of the cost of recreation programs through user fees. The department is cognizant of the policy and several years ago instituted a policy to meet the 50% ratio. As previously mentioned in this section, the department prepares an “Anticipated Cost Analysis” document which is primarily based upon the previous year’s document. This information is used to project the percentage of costs covered by current user fees for each program and activity and then determine the appropriate user fee, if any.

The township is commended for analyzing program costs and instituting the policy to cover 50% of program costs through user fees.

While this is a good practice, it appears there are some additional costs which need to be included to obtain a true cost for recreational programs. When determining the fee amount, it is important to include all direct and indirect costs associated with the program. Some of these costs currently not included are: administrative salaries and benefits associated with each program, labor costs and materials for field maintenance including DPW staff, and utilities.

The department does not perform a reconciliation of actual costs at the end of a program. This reconciliation would provide the department with a more appropriate depiction of the costs of the program.

The department should also utilize its personal computers more, especially in this area. The “Anticipated Cost Analysis” worksheet could easily be converted to a computerized document which would enable the department to analyze the data and make comparisons.

LGBR made several requests for the existing fee schedule for all programs and the annual fees collected. The township provided this information for the swimming pool utility and the summer park program. However, the township was unable to provide fee schedule and fee revenue for other township recreation programs. Thus, LGBR was unable to analyze the township’s success in reaching the 50% ratio to cover recreation costs. Based upon LGBR analysis, the township would have to collect \$407,311 in revenue to reach the 50% ratio.

Recommendation:

It is recommended the township monitor and review its fee schedules and fee revenues to analyze whether the fees are actually covering 50% of all recreation costs including all direct and indirect costs associated with each program. This information should be automated and maintained in a computerized database.

POOL UTILITY

West Orange has one community pool complex consisting of a shallow main pool, diving tank and baby pool. The Ginny Duenkel Pool has a competitively contracted concession stand, a community building, separate male and female cabanas, a recreation area and numerous beach chairs and tables for township residents to enjoy. The township also provides a storage facility for members to store privately-owned chairs. The recreation department has designated areas for families and senior citizens and provides activities for patrons both on-site and in the school adjacent to the pool.

The recreation department operates the pool from May through Labor Day. For the first four weeks, hours are from 12:00 p.m. to 6:00 p.m. on weekends until schools end. The hours then change to 12:00 p.m. to 8:00 p.m. on weekdays and 10:00 a.m. to 8:00 p.m. on weekends. The pool accommodates special functions from 10:00 a.m. to 12:00 p.m. on weekdays. Residents are permitted to use the pool after purchasing a membership badge.

Staffing

The pool utility is staffed with seasonal workers: two co-managers, a swimming coordinator, 14 life guards, swim team coach, five swimming instructors, a social director, five head counselors, two pool clerks, six gate attendants and one part-time pool maintenance worker.

One pool co-manager is a seasonal hire, while the other is a DPW employee who receives a \$6,500 stipend for working evening and weekend hours. In 1997 and 1998, the township expended \$107,071 and \$102,092 in salaries, respectively.

The team reviewed the salaries and found them to be somewhat on the lower end of the scale, but reasonable. Pool management attributes a high lifeguard turnover rate to higher wages offered at local private swim clubs, however, they have been able to find replacements.

Financial

The following table shows actual pool revenues and expenditures, based on the municipal audits and annual financial statements for these years.

	1998	1997	1996
General Revenue	\$192,421	\$190,887	\$168,789
Actual Expenditures	\$213,441	\$182,145	\$199,808

In general, the pool utility is operating at a profit. As the above chart indicates, the general revenue, which includes membership fees and miscellaneous revenue, has not covered the actual expenditures in two of the last three years. For many years, the pool utility has carried a significant fund balance, which is used as revenue to make it self-sustaining. Between \$60,000 and \$70,000 of fund balance has been used as revenue in each of the last three years. While there is nothing wrong with this practice, the pool utility is operating at a deficit when you factor out the sizeable fund balance.

Year ending fund balance or surplus has been \$76,626, \$71,113 and \$57,516 for 1996 through 1998. Anticipated revenues are accurately projected. Anticipated expenditures are consistently much more than actual expenditures and are the reason for the fund balance level.

The team reviewed the budgets for 1996 through 1998 and found a three-year average of \$41,700 appropriated for the pool utility, but left unencumbered at the end of the fiscal year. Of the \$41,700 unencumbered funds, \$17,931 or 41%, was from the “contingency for repairs” line item and \$23,769 was from all other appropriations.

While “contingency for repairs” is a necessary line item with a great degree of uncertainty, the development of a comprehensive capital improvement plan should help the township reduce this line item by identifying and making the needed improvements proactively rather than reactively.

Approximately \$65,000 is budgeted each year for repairs. The township has several years of expenditures to evaluate and project future expenditures. A comprehensive evaluation of all line items in the budgets for 1996, 1997, and 1998 shows the utility may be able to save approximately \$15,000 in appropriations through improved budgeting. This figure is not a real savings as it will probably reduce the year-end fund balance which is available to be used as revenue in the subsequent year.

Recommendation:

It is recommended that focusing on capital improvements may help reduce the needed “contingencies for repairs” line item. The development of a capital improvement/facility maintenance plan should help township officials with long-range budget planning.

Capital Improvement/Facility Maintenance Plan

In early 1998, the township bid for improvements to the pools. In addition to patch work, sand blasting, and painting, the town replaced the decking around the pools at a cost of \$68,790. Over the 1998-99 winter, the township plans to renovate and expand the John F. Kennedy community building, which is part of the pool complex.

Upon completion of the project, the recreation department will relocate to the improved facility. Other improvements include an alarm system, replacing lounge chairs, tables and improvements to the eating area. The township does not maintain a capital improvement or facility maintenance plan.

A facility maintenance plan will provide the township with valuable information regarding long-term pool expenditures. While a pump may last 18 years, budgeting for replacement based on the manufacturer’s life expectancy of 10 years will help identify potential expenses when developing the next fiscal budget. It also helps the governing body identify when specific purchases or repairs were last performed and establish a reserve to fund its replacement.

Recommendation:

It is recommended the township develop a 10-year capital improvement plan for the maintenance of the pool facility.

As part of the LGBR review, the team toured the facilities and interviewed community members. Pool users were generally satisfied with the facility, however, the team received numerous complaints about the condition of the grounds around the pool. Interviewees showed members under-layment gravel mixed in with the grass in the senior citizen area of the pool as well as construction materials along the community storage shed and the use of cardboard in muddy areas around the storage shed. The team received additional complaints about the community storage shed concerning shelving and organization of the building. The shed holds approximately 250 chairs. In general the LGBR team feels the complaints were warranted, however, many of the issues should be resolved once the improvements to the facility are complete.

The pool chair storage shed, unlike the pool, provides a convenience to a select group of users who choose to bring and store their own pool equipment at the facility. A storage fee of \$10 per chair would provide approximately \$2,500 in additional revenue. The fee should help defray the expenses of pool utility and the administrative cost of developing a “tagging” system for the chairs.

Recommendation:

It is recommended the township establish a storage fee of \$10 per chair.

Revenue Enhancement: \$2,500

Investments

It is the practice of the CMFO to transfer all pool revenues to the general fund for investment. Expenditures are deducted from the general disbursement account and then charged back to the pool utility fund. This process has allowed the municipality to earn \$5,000 in interest for the utility.

The township is commended for increasing interest earnings for the pool utility.

Memberships

The pool has had substantial drop in membership over the past three years. The following chart shows membership totals.

Membership	1998	1997	1996	1995
Single	107	140	163	187
Family-All Sizes	793	913	949	936
Senior Citizens & Other	144	259	299	320
Total	1,044	1,312	1,411	1,443

While membership decreased by almost 400 members from 1995 to 1998, revenues increased approximately \$41,000 for the same period. The increase was due to a restructuring of the fee schedule that included a \$10 increase in 1998 for individual and family rates and the elimination of a tiered fee system with different prices for family size, and seasonal usage (first vs. second half). Group rates also increased in 1997.

Fee Schedule

Our analysis of the fee schedule found that guest charges should be modified. In 1998, an individual member could buy a daily guest badge for \$4 on weekdays and \$8 on weekends. The guest could use the pool during the hottest months of July and August up to 27 times on weekdays or 13 times on the weekends before it would be cost-effective for the guest to buy an individual membership of \$110. A two-member family could gain similar benefits if the parent purchased an individual membership and got a guest badge for the child.

In 1997, the township collected \$15,965 in guest membership fees and \$17,201 in 1998. Based upon the fee schedule and the guest fees collected, 2,150 to 4,300 guest badges were sold in 1998. LGBR estimates that approximately 3,000 guest badges were sold.

A \$2 increase to \$6 on weekdays and \$10 on weekends would generate approximately \$6,000 in additional revenue. Guests should also be restricted from using the pool more than five times during a season. This should prompt an overall increase in membership.

Finally, the municipal auditor found instances in which the recreation department had not collected membership fees in accordance with the adopted pool ordinance fee schedule.

Recommendation:

It is recommended the township increase the guest rate to \$6 on weekdays and \$10 on weekends which should generate an additional \$6,000 which should more than cover the administrative cost of tracking guest memberships.

Revenue Enhancement: \$6,000

Marketing/Membership Drives

Since memberships are the primary revenue source for the pool utility, the team also recommends that the township market the pool to increase memberships. Inviting the public in to see the “improved” Ginny Duenkel Pool may increase memberships.

Early registration at the library or other public areas will continue to publicly promote and provide opportunities for residents to buy a membership. Reduced rates for early registration and late fees for registration after a prescribed date may prompt an increase in membership.

The township may want to consider having an open “free” swim for township residents for a two-hour period once a week during the first few weeks of June.

Recommendation:

It is recommended the township continue to investigate and implement ways to promote the pool and increase membership.

PUBLIC LIBRARY

The West Orange Free Public Library serves a population of approximately 40,000. The library and the municipal building are magnet facilities attracting residents from all over the municipality to its downtown area. Our review found the library to be generally well-run.

The library is managed by a director under the governance of a board of trustees and essentially operates as a separate entity although the mayor indirectly exercises control through the appointment of the library's board of trustees. The seven-member board of trustees includes the mayor or designee and the superintendent of schools or designee.

Our observations and review revealed that the board plays an active role in the operation and promotion of the library. The library offers public services and programs to all ages, including talks by local authors and storytelling hour for children. Patrons also have free access to internet and word processing equipment on its PC based network. These programs and the board's interest have led to active patron use of the facility.

Organization/Staffing

According to the 1997 payroll information supplied by the current director, the library employs 26 full-time and 30 part-time employees including 11 full-time and six part-time certified staff. The library staff consists of the following positions: library director, assistant director, principal librarian, senior librarian, library trainee, administrative secretary, supervising clerk, senior clerk, clerk, supervising maintenance worker and building maintenance worker.

Employees are not unionized and all benefits and responsibilities are outlined clearly in an employee handbook. The library has opted to follow civil service titles and has a board approved 16 step salary guide outlining salary and increment payments.

Full-time employment requires flexible work hours based on a 37.5-hour workweek, which allows the director flexibility to provide coverage for weekend hours. The flexible schedule and the use of part-time librarians allow staffing coverage without overtime. Compensatory time is used when additional work hours are needed.

Salaries & Benefits

According to 1997 payroll data, the library spent \$1,112,722 on salaries and benefits, approximately 73% of its total annual budget.

In reference to the 16-step salary guide, LGBR has not seen a municipality or library with so many steps on its salary guide. The state's library statistics do not have information about the number of salary steps. The state's statistics have salary information for two positions: library directors and starting librarians with no experience. Below is a chart comparing these positions

to libraries with a similar population and expenditure levels. As one can clearly see, the salary ranges for the West Orange positions are significantly higher.

	Library Director Minimum Salary	Library Director Maximum Salary	Starting Librarian Minimum Salary	Starting Librarian Maximum Salary
West Orange	\$62,500	\$102,500	\$28,117	\$43,749
Population Group	\$46,505	\$95,184	\$23,000	\$33,485
Expenditure Group	\$47,000	\$87,179	\$23,000	\$36,170

Since the State Library Statistics only includes director and librarian salary statistics, the library support staff salary guide and the municipal salary guide were compared. Below is a chart comparing similar library and municipal positions. In comparison to municipal positions within the township, the library salaries are higher.

Position	Minimum	Maximum
Library - Clerk	\$21,644	\$36,428
Township - Clerk/Typist	\$16,000	\$29,697
Library - Senior Clerk	\$28,045	\$45,469
Township - Sr. Clerk/Typist	\$17,000	\$31,158
Library - Principal Clerk	\$28,540	\$46,444
Township - Prin. Clerk/Typist	\$17,000	\$33,653
Library - Admin. Secretary	\$31,308	\$49,900
Township - Admin. Secretary	\$18,000	\$48,693

It appears the library board needs to perform a salary survey to develop a rational, equitable and comprehensive salary guide. The team feels the library could significantly reduce the overall costs of the salary guide, if a new salary scale is developed and implemented. A spreadsheet analyzing the current pay scale and a proposed pay scale is located in Appendix F.

The proposed salary guide would not reduce the current salaries of any existing employees and would eliminate five steps. Based on current staffing, the proposed salary guide could produce a savings, over many years, of \$1,566,103.

Recommendation:

It is recommended the library board of trustees perform a comprehensive salary survey, revise the current salary guide and reduce the number of steps in the library salary guide.

Funding

Local taxpayer funding for the West Orange Public Library was \$1,489,456 in 1996 and \$1,520,000 in 1997. N.J.S.A. 40:54-8 specifies that municipalities must fund libraries a sum

equal to one-third of a mill on every dollar of assessable property based on the equalized valuation.

As the chart below indicates, the township has significantly exceeded the minimum funding requirements for the library.

Year	Total Funding	Required Funding	Additional Funding	% Above Required Funding
1996	\$1,489,456	\$943,481	\$545,975	36.7%
1997	\$1,520,000	\$944,414	\$575,587	37.9%

A discussion with township officials revealed that the administration is aware of the funding level of the library and it is apparent that the township values the services of the library. The library is viewed as an asset to the community that the residents are willing to pay for. As a result, the governing body has made a conscious decision to increase library funding in order to meet the needs of the community.

According to state statutes, the library board of trustees is responsible for the expenditures of the library. The board of trustees has sole authority concerning the spending of the one-third of a mill amount. The township council has authority to determine how funds above the one-third of a mill amount are expended.

Below is a chart comparing the funding levels of comparable municipal libraries.

	Population Served	Equalized Valuation (x 1,000)	1/3 Mill Funding	Actual Funding	Difference From 1/3 Mill	% Above 1/3 Mill
West Orange	39,495	\$2,833,244	\$944,414	\$1,520,000	\$575,586	37.9%
Bloomfield	43,330	\$2,113,280	\$704,426	\$987,301	\$282,875	28.7%
Montclair	36,313	\$2,858,380	\$952,792	\$2,270,455	\$1,317,663	58.0%
Linden	36,857	\$2,732,548	\$910,848	\$1,144,868	\$234,020	20.4%

Other comparisons show that West Orange spent \$47.92 per capita, while Bloomfield, Linden and Montclair spent \$23.94, \$43.55 and \$67.93 per capita, respectively.

The New Jersey State Library ranks libraries based upon local tax dollar support of the library. West Orange ranked the 47th highest of 315 reporting libraries charging local taxpayers \$0.616 per \$1,000 of equalized property evaluation. Only 46 libraries had higher local tax dollar support.

Hours of Operation

The library is open 65 hours a week except during July and August when it is closed on Sunday and open for only a half-day on Saturdays. The library offers evening hours Monday, Wednesday and Thursday.

Facilities

The West Orange Free Public Library occupies a building located behind the municipal building. The library space is bright, neat and contains a meeting room. There is a small satellite library best described as a reading room located a few blocks away in a community center.

A tour of the building found numerous problems. The library staff identified 17 broken windows, leaking roofs, damaged ceiling tiles, substandard and/or broken lighting, and electrical wiring needing upgrading.

While the library has a maintenance person to handle many of the daily repairs and maintenance needs, this individual also is responsible for maintaining the grounds. Conversations with DPW and the library director reveal an apparent lack of communication between the two groups in addressing the library needs. The only proof of communication between the two groups was a September 1998 memo, after the team had inquired about the broken windows.

The municipality owns the building housing the public library. LGBR questions the efficiency of having the DPW maintaining the grounds of the municipal building, which is adjacent to the library, but not the library. A formal working relationship and standard operating procedures should be established with the DPW to address all facility issues and to develop a multi-year facility plan to address the long-term needs of the library.

Recommendations:

It is recommended custodial and maintenance responsibilities of the library be transferred to the DPW. This will produce savings to the library of \$62,105. The team recognizes there will be a corresponding increase to the DPW budget, however the library should consider this a reduction in the additional funding over the one-third mill requirement since facility issues belong to the town. Library maintenance could be included in outsourcing alternatives explored by the DPW.

The library building is approximately 60 years old. Recent modifications to the building include a new heating and air conditioning system.

The director feels the library will outgrow the current building within the next two years and as evidence cites the need to keep a part of the collection in the basement where support staff must go approximately 50 to 70 times a week to retrieve books for patrons. The library uses CD ROM technology to help eliminate the need for extra space, but this is limited as CDs cannot be removed from the library.

The library square footage is approximately 26,000. Using library size formulas based upon population, the library is appropriately sized. These formulas are rough estimates, which do not

account for other important factors such as collection space, user seat space, staff work area space, meeting room space, and public electronic work station space. Generally, the team found the library space effectively used with few alternatives for library growth.

One recommendation is to convert part of the existing meeting room into additional general collection space. Another alternative is to move some of the administrative offices and meeting rooms into the municipal basement. These options, which are somewhat inconvenient and which may affect library programs, will only postpone the need for either a new facility or an addition. These options could give the library an opportunity to start a capital fund drive and raise funds needed for improvements. The municipality should consider a monetary match to the fund drive.

The state recently approved and funded a library construction incentive program, which will provide funds to local libraries for new buildings and additions or renovations to existing buildings. The township has had some contact with the state regarding library expansion and is urged to continue to pursue this funding.

Recommendation:

It is recommended the board of trustees review its options to address facility and space needs. The board should conduct a comprehensive assessment of library space needs. The Connecticut State Library has a detailed library space planning guide, which would be very useful. The township is urged to pursue available grant funding. The library board should also consider establishing a capital fund drive and seeking donations and grants to help the library address any capital improvement needs.

Collection

As of 1997, approximately 66% of the local population are registered patrons. Residents enjoy an extensive collection of books including a best seller section and large print books vision-impaired for patrons. According to the New Jersey State Library's Public Library Statistics – 1997, the library owns 143,586 volumes, up 8% from the prior year. In addition, the library has an extensive video and compact disk music collection available at no cost.

In 1997, the total number of books borrowed by patrons was 384,544 for a circulation of 2.7 per volume. The state average is 1.6 per volume. The circulation per capita is 9.7, while the state average is approximately six.

The township is commended for its extensive collection and a high circulation rate.

The library periodically weeds the collection and is currently developing a procedure to weed the collection in 1999.

The library utilizes part of its basement for additional stacks of less frequently used books and duplicates. Duplicates are considered a rental collection and are available for rent for 15 cents when the primary copy is in circulation. In 1997, the library collected \$2,553 for 17,020 rentals.

We found this to be an innovative mechanism to cover the cost of purchasing duplicates to meet the demand for specific titles. Given the facility needs of the library, the board should consider increasing the rental fees. An increase to \$0.50 for a well-publicized campaign with signs indicating the revenue will fund facility improvements and future expansion would generate a revenue enhancement of approximately \$6,000, based upon 1997 rental figures.

Recommendation:

The township is commended for this innovative program which raises revenues and meets the public's needs. It is recommended the board of trustees consider an increase in the duplicate rental fees to \$0.50. Based on the 1997 collection rate, an additional \$6,000 in revenue should be generated.

Revenue Enhancement: \$6,000

Shared Services

The library independently performs payroll, purchasing, bidding, contracting, banking, investing, accounting services, janitorial and some maintenance. That is, the library is performing many organizational responsibilities that the municipality also performs for all other departments. For example, the same payroll vendor that processes payroll checks for the municipality also provides the service to the library at a cost of \$3,392.

We feel the library and municipality create a duplicative situation by independently contracting payroll and performing other organizational functions. Once the municipality installs an electronic purchasing system, the library should be brought on-line to allow direct entry. In addition, the library processes payroll manually when the municipality has a payroll software package that allows electronic processing, and according to the library, the payroll company could handle the library employees.

Similarly, the team feels contracting, bidding and accounting services could also be a shared service. Jointly bidding and purchasing through the municipality will give the library better negotiating power in obtaining lower prices for services and materials, and by combining the services, the library will benefit in both productivity and actual cost savings.

The township is paying the payroll vendor approximately \$1.25 per check, while the library is paying the same vendor approximately \$2.32 per check. Based upon 1,456 annual library checks, the library could save approximately \$1,557.

Recommendation:

It is recommended the library director meet with the municipal business administrator to merge similar duplicative organizational functions. Actual savings will depend on services merged, however, the team feels the library can reduce its additional funding over the required one-third of a mill requirement by at least \$1,557. The library can also reduce the amount that it is over the one-third of a mill funding by \$3,392.

Cost Savings: \$1,557

Fund Raising

A key component to keeping library costs down is fundraising. During an interview with the library director and a board member, it was revealed that the library has chosen not to actively fundraise. The total donations received for 1996 and 1997 was \$692.

The previous library director and board believed it was the responsibility of the municipality to fund the library and that it was essentially below the stature of a library to fundraise.

Many other towns have active “Friends of the Library” which help public libraries with fundraising, improving the library collection, and other programs.

There are many philanthropic organizations offering grants and other various support for public libraries for purposes ranging from increasing the collection to building facilities. As a public entity, the library has a responsibility to fund operations through all available mechanisms and not just the local taxpayers. A Friends of the Library could be established to help with fundraising and grant writing. Assistance in developing a friends group is available through the American Library Association.

An actual revenue enhancement cannot be determined because it depends on the support and aggressiveness of the library director and board. Some libraries collect a few thousand dollars in cash and/or equipment each year. In addition, some libraries have had success with an attractive donation box in the main entrance.

Recommendation:

It is recommended that the library establish a Friends of the Library support group to help with fundraising and grant writing.

Insurance

The team reviewed the library’s insurance policies and found sufficient coverage at an annual cost of \$19,386. However, it appears that insurance proposals have not been solicited in the past three years.

Given the competitiveness of today’s insurance market, the library should solicit proposals to ensure the best rates. The library should also consider soliciting coverage with the municipality. This should enable the library to benefit from the buying power of the municipality. While insurance is an unspecified service not required to be bid, the township should solicit proposals on an annual basis. The township may be able to include or package the library coverage with its annual insurance renewal.

Recommendation:

It is recommended the municipality include library coverage when soliciting for insurance coverage.

Photocopiers

According to documents supplied to the team, the library houses six copying machines. Four of these copiers are owned and two are leased. The lease/purchase agreements for all copiers were analyzed. Two of the recently purchased copiers are still under manufacturer warranty. The library purchased the two remaining copiers in 1992 and pays an estimated yearly service contract of \$2,366 based on 4,830 copies a month.

A comparison of the service contracts to the New Jersey State Contract T0206, “cost per copy” contracts found the library would spend approximately \$1,304 a year. Coin operation devices are not included under state contract, however, the library may bid the attachment independently. In addition, the library would have access to newer equipment every three years. “Cost-per-copy” contracts include all maintenance and supplies except staples and paper and require a three-year contract.

Recommendation:

It is recommended the library replace the two older purchased photocopiers with cost per copy machines for a savings of approximately \$1,062.

Cost Savings: \$1,062

The two remaining lease agreements appear to be commission copiers. Under these agreements, a vendor installs and operates the copiers at no cost and provides the library with a commission rate of 25% on all revenue collected.

In 1997, the library earned \$9,800 in revenue from the copiers. There were complaints regarding the reliability of the machines and the vendor response time.

A comparison to the equivalent “cost-per-copy” contracts with coin operated attachments, found that the library could increase copier revenues by 70% to \$32,966, if the library assumed operations of the copiers with “cost-per-copy” contracts.

While the installation of commission copiers provides a hands-off approach to consumer copier services for the library, the additional revenue the library could receive merits a re-evaluation of this practice.

Recommendation:

It is recommended the library consider using “cost-per-copy contracts” to assume control of coin operated copiers for a revenue enhancement of approximately \$23,166.

Revenue Enhancement: \$23,166

III. COLLECTIVE BARGAINING ISSUES

LGBR realizes that recommendations regarding provisions of collective bargaining agreements are subject to negotiations between the municipality and the bargaining units and are not easy to modify or eliminate. Thus, any savings identified are potential savings, which will be subject to negotiation.

This section attempts to identify various contractual provisions and their associated costs. At the very least, management should consider bringing these recommendations to the bargaining table. Just as the provisions in the existing contracts did not occur at once, LGBR realizes that the modification or elimination of certain provisions will not occur at once either. It is recommended the township commit to removing some of the costly provisions from the contracts to restore effective controls over personnel costs.

The township's six collective bargaining agreements are outlined below:

Union	Employees Group	Number of Members	Length of Contract
AFSCME Council 52, Local 3476	Non-uniformed, Non-supervisory	57	1/1/95-12/31/97
AFSCME Council 52, Local 3682	Non-uniformed, Supervisory	11	1/1/95-12/31/97
FMBA Local 28	Uniformed Fire Fighters	55	1/1/95-12/31/97
Superior Officers' Assoc.	Fire Deputy Chiefs and Captains	30	1/1/95-12/31/97
PBA Local 25	Uniformed Police Officers	60	1/1/95-12/31/97
Superior Officers' Assoc.	Police Sergeants, Deputy Chief	34	1/1/95-12/31/97

Each contract was reviewed in detail with a variety of findings and recommendations that cross individual contract lines. In general, a number of contract provisions appear to be generous when compared to other public sector contracts.

Wage Increases

The team reviewed the negotiated wage increases for each contract. In general, the team found the increases to be significantly higher when compared to the Consumer Price Index (CPI). The following charts help illustrate the contract wage increase and the change in the CPI:

Union	Year	Contract Increase	CPI	Difference
AFSCME	1995	4.0%	3.0%	1.0%
FMBA	1995	4.0%	3.0%	1.0%
Fire Superior Officers Association	1995	7.0%	3.0%	4.0%
PBA	1995	7.0%	3.0%	4.0%
Police Superior Officers Association	1995	7.0%	3.0%	4.0%

Union	Year	Contract Increase	CPI	Difference
AFSCME	1996	4.5%	2.9%	1.6%
FMBA	1996	4.5%	2.9%	1.6%
Fire Superior Officers Association	1996	6.6%	2.9%	3.7%
PBA	1996	6.6%	2.9%	3.7%
Police Superior Officers Association	1996	6.6%	2.9%	3.7%

Union	Year	Contract Increase	CPI	Difference
AFSCME	1997	4.5%	2.0%	2.5%
FMBA	1997	4.0%	2.0%	2.0%
Fire Superior Officers Association	1997	6.6%	2.0%	4.6%
PBA	1997	6.6%	2.0%	4.6%
Police Superior Officers Association	1997	6.6%	2.0%	4.6%

In addition to the wage increases, AFSCME employees' salary guide was increased from five steps to six steps. An extra step was added to the end of the salary guide for each job title. This extra step added approximately \$4,700 to the salary guide and will eventually cost approximately \$600,000 in increased salary costs. The township should consider the CPI when negotiating future wage increases.

Salary Guide

Effective 1/1/96, an additional salary step was added to the salary guide for firefighters and police officers. The additional step did not change the minimum or maximum salaries and increased the number of years to get to the maximum step. This provision should save the township approximately \$10,270 per new police officer over a seven-year period.

The township is commended for implementing this cost-saving provision.

Longevity

Township employees receive longevity compensation added to their salaries based upon years of service. The chart below outlines the payment structure.

Years of Employment	Percentage of Pay
5 years	2%
10 years	4%
15 years	6%
20 years	8%
25 years	10%

The total longevity payments for 1997 were approximately \$605,000 and ranged from approximately \$580 to \$8,400.

Longevity is a benefit with no tie to performance. Years ago, longevity was a means to compete with private industry and keep talented employees from leaving municipal government.

However, public employee salaries have increased to a point now where most municipal salaries are competitive with private industry.

Longevity is also a difficult benefit to eliminate. Many municipalities have had success eliminating longevity for new hires, while other municipalities have been successful in capping longevity payments at flat dollar increments rather than percentage increments. Based on an estimated 3% wage increase for 1998, the township's longevity cost automatically increased by approximately \$18,150 because of its percentage basis.

By capping longevity at flat dollar increments, approximately \$18,150 could be saved each year. By eliminating longevity for new hires, the township after many years could save at least \$605,000. It is also suggested that longevity benefits be clearly included in salary guides and salary ordinances.

Recommendation:

It is suggested the township negotiate to modify the longevity benefit for employees.

Potential Cost Savings: \$18,150

Sick Leave

Full-time non-uniformed employees receive 16 sick leave days per year, while full-time police and fire employees receive 15 sick leave days per year. The permanent part-time employees receive a pro-rata number of sick leave days based upon the number of hours worked. The standard for the State of New Jersey and most local governments is 15 sick days. The additional sick day for non-uniformed employees equates to approximately 170 days and \$32,000 of current salaries.

Recommendation:

It is recommended the township negotiate the elimination of one sick day for employees covered by the two AFSCME bargaining units.

Potential Cost Savings: \$32,000

While reviewing the accumulated sick leave balances for each department, it was noted that approximately 50 employees, or 15% of the workforce, had balances of 150 or more days.

The contracts did not contain provisions for controlling excessive sick leave usage, but some provisions were contained in the municipal codebook. The team reviewed sick leave records and noticed that several departments had considerably higher sick leave usage. Excessive sick leave usage or numerous absences in conjunction with holidays should require a doctor's note to verify the illness. Although there are provisions in the township code governing the abuse of sick leave, it appears these rules are not being consistently enforced across all departments. For example, when an employee is absent more than one day, a supervisor may request a doctor's note relating to the illness that caused the absence, in accordance with the township code. The municipal codebook, furthermore, stipulated "accumulated sick leave may be used by

an employee for personal illness, illness in the immediate family, quarantine restrictions, pregnancy or disabling injuries not to exceed five working days within one calendar year without the approval of the business manager.” When reviewing compliance, it was noted most sick leave taken was in excess of one day with no doctor’s note, and the average number of sick days taken in a calendar year exceeded the five days.

The township employees are permitted to accumulate unused sick days like the majority of local governments and the State of New Jersey. It is the responsibility of each department head to monitor the sick leave usage and unused balances for its employees.

Recommendation:

It is recommended the township personnel division take a more active role in the monitoring of sick leave reporting and usage in order to assure consistent application of policies. Implementation of the swipe card technology currently available should allow for this to be done relatively easily.

Sick Leave Payment

The township has a provision in the agreements and in a township ordinance to provide for a lump sum payment of the cumulative sick days to be paid at the time of retirement. The payment is computed as one-half of the eligible employee’s average daily rate of pay during the last year of service for each day earned and unused up to \$12,000. The remaining days, if any, are paid at a rate of 15% of a day’s pay calculated as 1/260 of the annual salary.

A sample of the sick leave balance payments indicates the township’s “potential” liability for 1998 payments was approximately \$378,440. The state has a sick leave payout cap of \$15,000. While the township has a payout formula, which does cap the payout to some extent, some employees still receive more than \$15,000. Eleven employees eligible to retire in 1997 and 1998 would receive more than \$15,000. One employee received approximately \$23,000.

It is suggested the township modify its payout formula. Employees eligible to receive more than \$12,000 should have the formula for remaining days capped at \$3,000. This would ensure that no employee receives more than \$15,000 and would save the township approximately \$40,318, based upon 11 employees eligible to retire.

Recommendation:

While the township is commended for having a formula limiting sick leave payouts, it is recommended the township negotiate to modify the sick leave payout formula strictly capped at \$15,000 per employee.

Potential Cost Savings: \$40,318

Vacation Leave

AFSCME:

The current provisions for vacation leave are above the normal allotment by the State of New Jersey and most local governments. The vacation allotment for the non-uniformed employees is based upon the employees' length of service. The following chart illustrates the difference in vacation leave:

Length of Employment	State Employee	West Orange Employee
1-4 Years	12 days	15 days
5-9 Years	15 days	18 days
10-14 Years	20 days*	21 days
15-19 Years	20 days	24 days
20 and over	25 days	28 days

*State employees receive 20 days after 12 years.

When comparing with the State of New Jersey and some other local governments, the average employee receives approximately three additional days. These three additional days per employee equates to approximately 510 days or \$96,520 of current salaries.

Police and Fire:

The vacation allotment for uniformed employees is based upon title. The higher the rank, the more vacation time allotted. The following charts illustrate the vacation leave for uniformed police and fire personnel. Since the fire department works 24-hour days, a vacation day is equal to 8 hours. Thus, a 24-hour day off is worth three 8-hour vacation days.

Title	Police Vacation Leave Days
Officer	21
Sergeant	23
Lieutenant	26
Captain	29
Deputy Chief	31
Chief	34

Title	Fire Vacation Leave Days
Fireman	28
Captain	31
Deputy Chief	34
Chief	40

When comparing with the State of New Jersey and some other local governments, the fire employees receive between 3 and 20 more days. The additional days given to fire personnel equate to approximately 1,030 days at a cost of \$279,500 of current salaries.

Some police employees receive less vacation leave in comparison to the State of New Jersey and other local governments; however, other police employees receive between 1 and 14 more days. The additional police personnel days equates to 625 additional days at a cost of \$159,800 of current salaries.

Recommendation:

It is recommended the township negotiate to modify vacation leave comparable to the state.

Potential Productivity Enhancement: \$439,300

Vacation Accumulation

Municipal codebook chapter 9-13.5 provides that an employee may accumulate up to two years of vacation. Exceptions to the two years are permitted with the consent of the appointing authority.

While reviewing the vacation balances, it was noted approximately 15 employees had more than two years accumulated. This policy of accruing two years of vacation leave can be quite costly to the township. The employees receive payment for accumulated vacation upon retirement and are accumulating this time at a lower rate of pay than what will be paid at the time of their retirement.

The current cost of the additional days beyond the two years accumulated equates to approximately \$250,000. This amount will increase with each pay increase employees receive. Some retiring police officers have received payments for accumulated vacation upon retirement in excess of \$60,000.

In addition, the township also credits the employees with the full amount of vacation leave at the beginning of each year. If an employee retires during the year, he/she is credited and paid for the full amount of vacation leave instead of a pro-rated amount of days earned.

Recommendation:

It is recommended the township negotiate to amend the codebook to require any vacation days carried over must be used during the first six months of the subsequent year or forfeited. The township should also prohibit the accumulation of more than two years of vacation leave without exception and could credit a retiree with a pro-rated amount of the vacation leave based upon the date of retirement.

Seniority Days

The police and fire uniformed personnel receive additional leave known as seniority days based upon their years of service. One additional day is given for each five-year period. Each police officer can receive up to six days after 30 years of service and each firefighter can receive up to five days after 25 years of service.

The police personnel receive approximately 150 seniority days annually worth approximately \$48,000. The fire personnel receive approximately 147 seniority days annually worth approximately \$47,000. Employees are permitted to accumulate these days without restriction.

Just like the accumulated vacation days beyond two years, these days are earned at a lower salary than the employee's per diem rate at the time of retirement. A review of the accumulated leave records indicates the police personnel have accumulated approximately 965 seniority days and the fire personnel 420. Some employees have over 70 seniority days.

Effective 1/1/96, seniority days were eliminated for all new hires in the PBA, and Police Superior Officers Association. Seniority days were also eliminated for firefighters promoted to the rank of superior officer and hired after 1/1/96.

The township is commended for eliminating seniority days for police officers and fire superior officers.

Recommendations:

It is recommended the township negotiate to eliminate seniority days for new FMBA hires. It is also recommended the township negotiate to limit the accumulation of seniority days. Like personal days, seniority days should not be cumulative and should be used in the same year they are earned or forfeited.

Termination Pay

The team conducted a review of the potential termination payouts based upon those employees who have at least 25 years of service. The review consisted of 20 employees who met the criteria. The following chart illustrates the total potential payout by category of compensation. Other pay includes accrued overtime and compensatory pay.

Sick Pay	\$378,500
Vacation Pay	\$365,000
Seniority Pay	\$225,000
Other Pay	\$288,500
Total	\$1,257,000

Of the 20 employees, 10 were eligible for more than \$50,000 in termination pay benefits. The termination pay for one of the police captains was \$158,829. Below is a breakdown of his payout.

Sick Pay	\$16,168
Vacation Pay	\$66,288
Seniority Pay	\$27,073
Other Pay	\$49,301
Total	\$158,829

According to the 1997 township audit, the cost of the employees' accrued unused vacation and sick pay is approximately \$1,800,000. It is clear that the termination pay can be quite costly to the township due to its personnel policies and practices. Modifying policies related to termination policy could ultimately save the township millions of dollars.

Recommendation:

It is recommended the township review its policies related to termination pay especially sick leave, vacation days and seniority days.

Educational Incentive

The police and fire contracts include a provision for additional compensation for employees who meet certain educational achievements as stipulated by ordinance. The ordinance provides for an annual lump sum payment of \$100 for each 15 hours of credit earned in a college program relating to Fire Science or Police Science up to \$800 for 120 credit hours or a Bachelor of Science degree. The cost for this benefit in 1997 was approximately \$22,500.

The township could revise this benefit so that payments would be received only after the completion of an associate's or bachelor's degree. Based upon the current payment structure, \$400 would be received for an associate's degree and \$800 would be received for a bachelor's degree.

Recommendation:

It is recommended the township negotiate to establish a single fixed payment in recognition of completion of an associate's or bachelor's degree.

Clothing Allowance

The clothing allowance policy varies between bargaining units. The police contracts provide each employee with a lump sum of \$600 for the purchase and/or maintenance of clothing and the fire contracts provide each employee with a lump sum of \$500. Public works employees receive \$500, while the supervisors receive \$400.

The total cost to the township for clothing allowance in 1997 was approximately \$135,000. Approximately 235 employees receive a clothing allowance. The allowance is paid regardless of whether or not the employee uses it to purchase clothing. If the employee submits clothing receipts, the allowance is not taxed. If clothing receipts are not submitted, the allowance is taxed. In essence, the clothing allowance could be just another form of additional compensation if receipts are not submitted. The clothing allowance is intended to give employees the proper clothing and equipment and not to be an additional form of compensation.

To ensure that the clothing allowance is spent for its intended purpose, the township could implement a "Quartermaster" or replacement system similar to that used by the New Jersey State

Police. The “Quartermaster” system provides for the issuance of replacement clothing only as needed. For example, a replacement shirt is provided upon the surrender of a worn or torn shirt. That is, an old piece of uniform must be turned in to receive a new piece of uniform.

The State Police replacement program cost is approximately \$285 each year per state trooper. If the township implemented a quartermaster program at approximately \$300 per year for all covered employees, the cost for 235 employees would be \$70,500 and the township would save approximately \$64,500.

Recommendation:

It is recommended the township negotiate to implement the quartermaster or replacement program at \$300 per year for its bargaining units.

Potential Cost Savings: \$59,500

Injury Leave

Employees with on-the-job injuries are granted a period of up to one month’s leave with full pay. This period may be extended for up to one year.

Recommendation:

It is recommended the township negotiate to comply with workers’ compensation statutes and implement a policy to reimburse only 70% of wages for work-related injuries. At the very least, the township should ensure that the employees on workers’ compensation do not receive an increase in pay due to workers’ compensation tax issues.

IV. SHARED SERVICES

Tremendous potential for cost savings and operational efficiencies exists through the implementation of shared, cooperative services between local government entities. In every review, Local Government Budget Review strives to identify and quantify the existing and potential efficiencies available through the collaborative efforts of local officials in service delivery in an effort to highlight shared services already in place and opportunities for implementing others.

West Orange is a community with some excellent examples of shared services. In February 1999, the township hosted and sponsored the “Essex County Shared Services Summit.” Officials from other municipalities were invited to discuss and promote shared services between municipalities. The township also had a joint services meeting with the board of education. Several committees were formed to investigate shared service opportunities.

The township is commended for its initiative to promote shared services within the county and schools and is urged to continue with this forum and to continue to pursue other shared service ventures.

As noted in the preceding sections, regionalization and shared services have been pursued and include:

- Various services with the county:
 - Cooperative purchasing is used.
 - Regional dental clinic for senior citizens, partially funded by county grant is provided.
- Various fire services:
 - Joint firefighting training with the South Orange Fire Department is conducted.
 - A county training facility with a local community college has been established.
 - HAZMAT laundry facilities are housed and shared with neighboring fire departments to clean contaminated gear.
 - Arson investigation skills from the fire bureau are loaned to other local fire departments.
 - Fire safety education and training program for first and second grade children is provided in conjunction with the Red Cross.
 - Mutual aid assistance is provided to neighboring communities.
- Various services with board of education:
 - Sixteen board of education recreational fields are shared.
 - Cooperative purchasing is done for some items.
 - Printing services are provided by the board of education to the township.
 - DPW assists the board of education with capital projects.
 - Health officer is shared with the Borough of Essex Fells.
 - The Essex County Regional Health Commission provides pollution control services to 14 other municipalities.

Recently, West Orange discussed providing animal control services to the Township of Livingston.

The township is commended for its many shared service initiatives.

Recommendation:

It is suggested that the township form a committee to monitor existing shared services and to further develop shared services with the school district and other public entities.

Opportunities for additional shared services and joint savings include:

- 1) videotaping council meetings with schools (See Governing Body section);**
- 2) printing services with schools (See Administration section);**
- 3) MIS operations with schools (See Information Technology section);**
- 4) regional hybrid fire department (See Fire Department section);**
- 5) fleet maintenance with other towns or schools (See DPW section);**
- 6) code enforcement services with other towns (See Planning section);**
- 7) snow plowing, sanding/salting with schools;**
- 8) health services, including animal control with other towns;**
- 9) lawn, field and building maintenance with schools; and**
- 10) payroll processing with schools.**

Shared services and cooperative agreements should be items for discussion in periodic meetings with municipal and school officials with reporting at meetings regarding status of their ventures.

In addition to savings to be realized by joining services, there are two new state programs designed to encourage and reward local governmental units and their taxpayers for regionalizing, sharing and joining services with other units of local government. The Regional Efficiency Development Incentive Act (REDI) provides funds to local units to study the feasibility of joining services. The second program REAP (Regional Efficiency Assistance Program), provides direct tax relief for any local government regional service agreement signed after July 1, 1997. These programs are administered by the New Jersey Department of Community Affairs (DCA), Division of Local Government Services. The township is encouraged to contact DCA for additional information.

V. STATUTORY AND REGULATORY REFORM

The fifth and final section of the report, Statutory and Regulatory Reform, attempts to identify those areas where existing state regulations or statutory mandates are brought to the attention of the LGBR review team by local officials which appear to have an adverse effect on efficient and cost-effective local operations. It is common for local officials to attribute high costs and increased taxes to “state mandates.” Each review team is then charged with reporting those areas in this section of the report. The findings summarized below will be reviewed by the appropriate state agency for the purpose of initiating constructive change at the state level.

Interest Calculation For Delinquent Taxes

According to the township’s tax collector, there would be a benefit to the municipality and the taxpayer to revise the method in which interest on delinquent taxes is calculated. According to N.J.S.A. 54:4-67, interest is calculated on a daily basis. If a monthly calculation, comparable to mortgage payments, was used, it would be easier for the taxpayer and the collection office. The municipality may also receive more revenue.

Under the current method, residents with delinquent taxes often notify the tax collection office that they will come in on Wednesday, for example, to pay the delinquent amount of taxes plus the interest. The collection office then computes the amount of interest for payment on that Wednesday. Often the resident is unable to make it Wednesday, and arrives with their check on Thursday instead. The tax collection office must then recalculate the interest. If the resident has already made out the check, based upon a Wednesday payment, the resident must void that check and make out another check.

Under the proposed method, the resident would receive a tax duplicate with information stating the amount due if paid on time and a different amount due if paid after the 10th of that month. The tax office would not have to recalculate the interest unless the payment is more than a month late.

Liquor Licenses and Delinquent Taxes

According to N.J.S.A. 33:1-31, a liquor license may be suspended or revoked for non-payment of any state excise tax, state sales tax, or other state monies. The municipality does not have the same power if the resident who owns a liquor license and the property of the liquor license premise, fails to pay property taxes to the municipality.

According to the township’s tax collector, giving the municipality similar authority would be a great benefit to the township tax collection efforts.

Change Date for Receiving State Aid

Municipalities receiving state aid, usually receive most of their initial aid in July or August and the balance in September and/or October. Township finance officials would like to receive state aid earlier in the calendar year to increase interest earnings and improve the cash flow of municipalities.

Increase Marriage License Fees

According to N.J.S.A. 37:1-12, municipalities receive \$3 for issuing a marriage license. The municipality also collects an additional \$25 fee, which is forwarded to the state Department of Human Services. According to township officials, the \$3 fee collected does not reflect the cost of issuing the license. They would like to increase the fee paid to municipalities.

In 1997, the township issued 427 marriage licenses and received \$1,281, while the state collected \$10,675. If the fee received by the municipality were increased to \$5, there would be an additional \$854 to cover the costs to the township for issuing the license, based upon 1997 marriage licenses.

Township officials believe burial permit fees should be increased also. According to N.J.S.A. 26:6-17, a municipality receives a fee of \$1 for issuing a burial permit.

LOCAL GOVERNMENT BUDGET REVIEW

Roland M. Machold, State Treasurer

Peter Lawrance, Deputy State Treasurer

Robert J. Mahon, Director, Local Government Budget Review

JoAnne M. Palmer, Deputy Director, Local Government Budget Review

Ulrich H. Steinberg, Jr., Director, DCA, Division of Local Government Services

West Orange Review Team

William J. Eagen, Team Leader

Local Government Budget Review

Vince Mastrocola, Local Government Budget Review

Larry McCormick, Local Government Budget Review

Richard Richardella, Local Government Budget Review

Steven M. Sagnip, Local Government Budget Review

Michael Weik, Local Government Budget Review

Jim Bruthers, Division of Taxation